

Herald Tribune

INTERNATIONAL

TODAY'S
STYLE
Direct Edition Page 9

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Tuesday, January 5, 1999

No. 36,030

'It's a Head Start on All Fronts'



Currency traders in London participating in their historic first day of dealing in the euro, which showed gains.

Powerful Debut for Euro; Stock Markets Also Surge

For Consumers, Easy Transition

By Barry James
International Herald Tribune

PARIS — On Friday, Dominique Bichot stepped up to the ticket window of Sabena Airlines at the Brussels airport and purchased a round-trip to Frankfurt, paying in the new European single currency, the euro, with her credit card issued by a French bank.

She was one of the first, and so far one of the few ordinary consumers to opt for payment in euros, but the movement is expected to catch on rapidly as more and more stores are equipped with credit-card terminals that can handle the currency.

Admittedly, Miss Bichot is on the inside. She works for Europay International, the Brussels-based company behind Eurocard and other credit card brands.

"People think that the euro is not real, purely because they do not yet have any euro notes or coins in their pockets," she said.

But as her experience showed, euro transactions using credit cards or checks are a reality, as well as simple. The amount charged shows up on the customer's credit-card or bank statement either as euros or national currency, or increasingly, both.

Many companies that have adopted the euro as their accounting currency are sending out euro-denominated paychecks as well. But employees should notice no differences, since banks have agreed that payments made in euro can be withdrawn in national currency without paying a conversion fee.

Under rules adopted by the European Union, conversions must be made at the official rate to six significant figures. Sums converted into euros will be rounded up or down to the nearest cent, while sums converted from euros will be rounded up or down to the nearest national subdivision, such as pennings or centimes.

The system is complex because a fun-

A Single Currency By the Numbers

The advent of the euro redraws many of the currency, stock-market and other tables used by travelers, investors and general readers of the International Herald Tribune.

The euro exchange rate against the dollar is now in the daily Page One markets table, below. Other changes are described on Page 11.

The Dollar			
	Monday 4 P.M.	previous close	
New York	1.1828	—	
Euro	1.6607	1.6542	
Yen	111.925	113.25	
DM	1.653	1.6848	
FF	5.5475	5.5896	
Dollars per pound and per euro.			
The Dow			
	Monday close	percent change	
+2.84	9,184.27	+0.03%	
S&P 500			
-1.13	1,228.10	-0.09%	
Nasdaq			
+15.29	2,208.04	+0.70%	

New Money Up Against Dollar

By Tom Buerkle
International Herald Tribune

LONDON — Europe's single currency made a powerful debut on world financial markets Monday as the euro rose against the dollar and the yen, and prices of European stocks and bonds surged in anticipation of a boost from monetary union.

The rare rally of virtually all European assets represented a bullish reception for the biggest change in international finance since the introduction of floating exchange rates 26 years ago.

A few surprises for U.S. traders. Page 15. • Asian markets bid the euro up. Page 11.

The strength of European markets signaled a high level of confidence among international investors in the euro and the European Central Bank, analysts said, a feat of no small significance after the years of political and market turbulence that led to the currency's birth.

"It's a head start for the euro on all fronts," said Joachim Fels, senior economist for the 11 euro countries at Morgan Stanley Dean Witter in London. "This is a very strong endorsement of the benefits of EMU," he added, referring to Economic and Monetary Union.

Norbert Walter, chief economist at Deutsche Bank AG in Frankfurt, attributed the market reaction to exuberance about the euro's long-term effect on the European economy and a bandwagon effect among previously skeptical investors, particularly in Asia and North America.

"They see that this market is moving and they don't want to be the last ones to join," Mr. Walter said.

But while the euro's strength may stoke European pride, it also could pose a challenge by threatening to make the bloc's exports less competitive and by further slowing an already weakening economy.

That risk was underscored by a German purchasing managers' survey that indicated the euro zone's biggest economy slowed dramatically in December.

"Euro strength is likely to continue," said Jim O'Neill, currency strategist at Goldman Sachs & Co. in London. "The key dilemma is at what pace. I can see that the European Central Bank wouldn't want to see it strengthen so much." Alison Cottrell, senior European economist at PaineWebber in London, said: "If the euro were to appreciate strongly, that would be one of the worst things for business confidence in these countries."

The euro rose to \$1.1830 late Monday from \$1.1747 at the start of trading in Asia and well above the reference rate of \$1.16675 given by the European Central Bank on Thursday, when it fixed exchange rates among the 11 euro countries. Stock prices soared, with market

See EURO, Page 15

A Good Beginning, but the Jury Is Out

After the Hoopla, How Will Euro Help Lives in the 11 Nations?

By John Vinocur
International Herald Tribune

PARIS — As much as the markets seem to like the euro, its potential problems and contradictions have not vanished in what has been largely a rush of admiration for the common currency's smooth start.

Against the background of Europe's changed political dynamic, its regional differences, its difficulties in creating jobs and growth, and the European Central Bank's own narrow definitions of its tasks, the euro's first day out in the cold marked a good beginning, but an inconclusive one.

If it signaled that the euro was a promising market instrument, it gave nothing away about how it would function as an economic force with real-life

effect on Europe's nations and people. Analyzing the difficulty of the undertaking, the International Monetary Fund, the Bundesbank and the Organization for Economic Cooperation and Development all found tones last year well short of this week's balloons and champagne, or its talk of new world roles and burgeoning prosperity.

"Unfortunately," the IMF said, "there are risks that sufficient progress will not be made in implementing the desirable policy strategy for the euro area."

Among the many possible conflicts conditioning the success of Economic and Monetary Union — less its exchange rate against the dollar than its capacity to generate new jobs and the expectations of change — is a central

political hitch without a ready solution.

The hitch lies in the contradiction between the interventionist and statist reflexes of the leftist governments of Germany, France and Italy, the currency group's three leading economies, and the tight rules of the EMU's Stability and Growth Pact rules on debt, deficits and inflation. With little growth projected and job creation held to a minimum, the new independent central bank, required to defend an inflation target of 2 percent per year, could quickly come under pressure, creating an open political struggle about interest rates, or broken promises by fiscally promiscuous countries.

The contradiction extends further, to the EMU's concept of growth, based on

See DEBUT, Page 15

9 Die in Separatist Riots In Indonesian Province

Troop Reinforcements Deployed to Aceh

New York Times Service

JAKARTA — At least nine people were killed, more than 20 injured and scores arrested in a weekend of violence in Aceh Province following a clampdown by Indonesian security forces against pro-separatist rioters.

Helicopters and troop reinforcements have been deployed to the area, according to a senior military commander. Defense sources say the violence is the most serious since the Indonesian military promised to withdraw its forces from the northern Sumatran province last August, a promise that looks increasingly difficult to keep.

President B.J. Habibie appealed Monday for an end to the violence. The Associated Press reported. "Nowadays, we witness the signs of a lack of patience among some people in society," Mr. Habibie said in a televised speech marking a Muslim celebration. "People are easily moved to violations and unrest. In fact, all that only harms our own interests."

Aceh is a Muslim province and has been a hotbed of separatist activity since Dutch colonial times. Brutal counter-insurgency operations mounted by the military during a nine-year campaign have only served to inflame anti-army feelings.

Human rights groups and local people have accused the military of rape, torture and summary executions on Aceh. In August, the army apologized for abuses, saying it was withdrawing its forces from the province. However, separatist violence has flared anew.

In a telephone interview, a senior army commander based at Lhokseumawe, the scene of the most recent

violence, said that police and army reinforcements had now secured the industrial town, restoring a semblance of calm although the situation remained tense. Lhokseumawe lies about 1,600 kilometers (1,000 miles) northwest of the capital Jakarta on the northern tip of Sumatra.

He said there were nine dead, all civilians, including three people who were killed by a separatist group because they were helping the security forces.

Two people were shot by the police while they were setting the police station at Mtangkuli on fire. Three other persons were killed in a fight with security forces, said Colonel Johnny Wahab, the military commander of East Aceh.

He accused separatist rebels of using civilians as a shield to hide snipers shooting at security forces.

Following the violence, eight bodies were taken to the local hospital but the other one was removed by local people for burial. Colonel Wahab said security forces opened fire after about 3,000 pro-separatists rioted Sunday, attacking and looting government buildings. During the riot, mobs torched four police stations, the office of a local district chief, an immigration office and a warehouse, he said.

Colonel Wahab said security forces

See ACEH, Page 8



Shozaburo Nakamura has been in the Japanese cabinet since July.

An Attack by a Friend

U.S. Relies on Threats, Japan Minister Says

The Associated Press

TOKYO — The Japanese justice minister accused the United States on Monday of relying on military threats to protect its own market, the Kyodo news agency reported.

"America's 'free-market economy' is not free," Justice Minister Shozaburo Nakamura was quoted as saying in a New Year's greeting to ministry officials and prosecutors.

"It is the kind of freedom that can let loose atomic bombs and missiles when another country looks to be winning."

Ministry officials were not available for comment late Monday.

Mr. Nakamura, 64, also criticized the United States for "threatening" countries with measures such as its "Super 301" trade law, which allows Washington to impose sanctions on trading partners whose practices it deems unfair. "This is, by no means, free competition," he was quoted as saying.

Mr. Nakamura has been a member of Prime Minister Keizo Obuchi's Cabinet since July.

A State Department spokesman in Washington told the International Herald Tribune that Mr. Nakamura "does not speak for the Japanese government on economic matters." The spokesman, who commented on condition of anonymity, indicated that Mr. Nakamura's comments would not be a matter of keen concern to the U.S. government, saying, "We look to officials who deal with economic issues for statements regarding our economic relationship with Japan."

On Dec. 23 both Peter Mandelson, 45, the trade and industry minister and Mr. Blair's chief aide and the architect of the Labour Party's election victory in 1997, and Geoffrey Robinson, 60, a millionaire industrialist who served as paymaster general, quit their posts.

Behind all three departures lay a secret £373,000 (\$625,000) home loan from Mr. Robinson to Mr. Mandelson in 1996 that Mr. Mandelson failed to reveal even when Mr. Robinson's outside financial affairs became the subject of the department that Mr. Mandelson had come to head.

The episode has become the first major disruption in the smooth running operation of the 20-month-old Blair government. Mr. Blair has obtained the highest

approval ratings of any prime minister in British history, but when he returns from a state visit to South Africa this week he will face challenges to his government's reputation for discipline and control.

He campaigned for office vigorously on assertions that his government would end the kinds of scandals that forced out 12 of Prime Minister John Major's ministers in the previous Conservative government. The current incident exposes tensions between his office and Mr. Brown's that date back to the keen competition between the two men for the leadership of the party after the death in 1994 of its former head.

See BRITAIN, Page 8

British Government Scandal Claims Another Victim

By Warren Hoge
New York Times Service

LONDON — A scandal that has already cost Prime Minister Tony Blair his closest political confidant and a principal connection to big business claimed a third government victim on Monday.

Charlie Whelan said he was leaving as press secretary to Gordon Brown, chancellor of the Exchequer and the second most powerful man in the Blair government, because the "absurd" level of public attention to his possible role in the departure of the two officials nearly two weeks ago made it too difficult for him to carry on with his job.

was using Room 529 as a base to conduct surveillance on members of the assembly.

That announcement set off a furor, with opposition members conducting a round-the-clock sit-in outside the door, which had not particularly attracted attention before.

The next day, New Year's Eve, the increasingly frustrated opposition legislators broke the lock and forced their way in, seizing 59 documents that they say show that the room was used by the spy agency, the Agency for National Security Planning, to monitor politicians.

"It was a clear violation of the law,"

said Lee Shin Boim, the member of the National Assembly who first asserted that Room 529 was a surveillance center. "This is a serious challenge to Korean freedom of speech."

The accusations are particularly resonant in South Korea, a young democracy where the spy agency — formerly known as the Korean Central Intelligence Agency — operated for decades beyond any law.

President Kim Dae Jung, a former dissident whom the former agency tried to kill, has vowed to stop the new agency

See KOREA, Page 8

Just What's Inside Room 529 in Seoul?

Some in the National Assembly Suspect It Harbors Spies Watching Them

By Nicholas D. Kristof
New York Times Service

TOKYO — Room 529 in the National Assembly Building in South Korea has an inconspicuous brown door that is usually locked, but a growing mystery about what goes on inside has set off a ferocious political dispute and raised questions about whether the country's spies are running out of control.

The dispute erupted last week when an opposition member of the National Assembly announced that he had information from a source he could not disclose that the national spy agency

AGENDA

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The IHT on-line: www.ihon.com

A Toxic Windfall

Residents of a Cambodian village were happy to use the bags of a white material dumped near them. Now they are suffering from the mercury-laced waste they contained. Page 4.

WASHINGTON (AP) — Elizabeth Dole, wife of the 1996 Republican presidential candidate, Bob Dole, announced her resignation Monday from the American Red Cross, apparently to pursue a potential White House bid of her own.

Mrs. Dole, 62, in announcing her departure, hinted at her aspirations. "At this important time in our national life, I believe there may be another way for me to serve our country," she said.

An adviser to Mrs. Dole, speaking on condition of anonymity, said there were plans to form a presidential exploratory committee next month.

Newstand Prices	
Bahrain.....1,000 BD	Malta.....55 c
Cyprus.....C £ 1.00	Nigeria.....12500 Naira
Denmark.....17 DKr	Oman.....1250 O.R.
Finland.....12.00 FM	Qatar.....10.00 QR
Gibraltar.....£ 0.85	Rep. Ireland.....IR £1.10
Greece.....£ 1.00	Saudi Arabia.....10 SR
Great Britain.....£ 1.00	S. Africa.....R16 incl VAT
Egypt.....£ 2.50	U.A.E.....10.00 Dh
Jordan.....J.S. 160	U.S. M.L. (Est.).....\$ 1.20
Kenya.....K.S. 160	U.S. M.L. (Est.).....\$ 1.20
Kuwait.....700 Fils	Zimbabwe.....Zw. \$40.00



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Britain's Crown Jewels/ Priceless Anecdotes

A Royal Catalogue Unveils Gems of History

By T. R. Reid
Washington Post Service

LONDON — The most valuable gemstone ever found, the 3,106-carat Cullinan diamond, was once put into a package and mailed parcel post from Johannesburg to London, where it arrived in perfect condition.

Queen Elizabeth II has a solid gold salt shaker that stands 18 inches (46 centimeters) tall, weighs 14 pounds (6.3 kilograms) and is known as "The Salt of State."

King William IV did not have much fun at his coronation in 1830. The foppish monarch insisted that every diamond, ruby, pearl and sapphire he could find be encrusted onto his crown. That made the crown so heavy it gave the ruler a royal pain in the neck and a toothache so severe he had to interrupt the coronation to have a molar removed.

These anecdotal gems, plus hundreds of other tales of natural gift and human guilt, are set forth in a most unlikely new publication: the Official Inventory of the crown jewels of Britain's royal family.

When a team of accountants and gemologists set out 15 years ago to catalogue the lavish collection of the House of Windsor, it was assumed that the chief product of their work would be, essentially, a spreadsheet: a listing of the location and condition of each of the 22,599 precious stones and the court regalia belonging to the royal family.

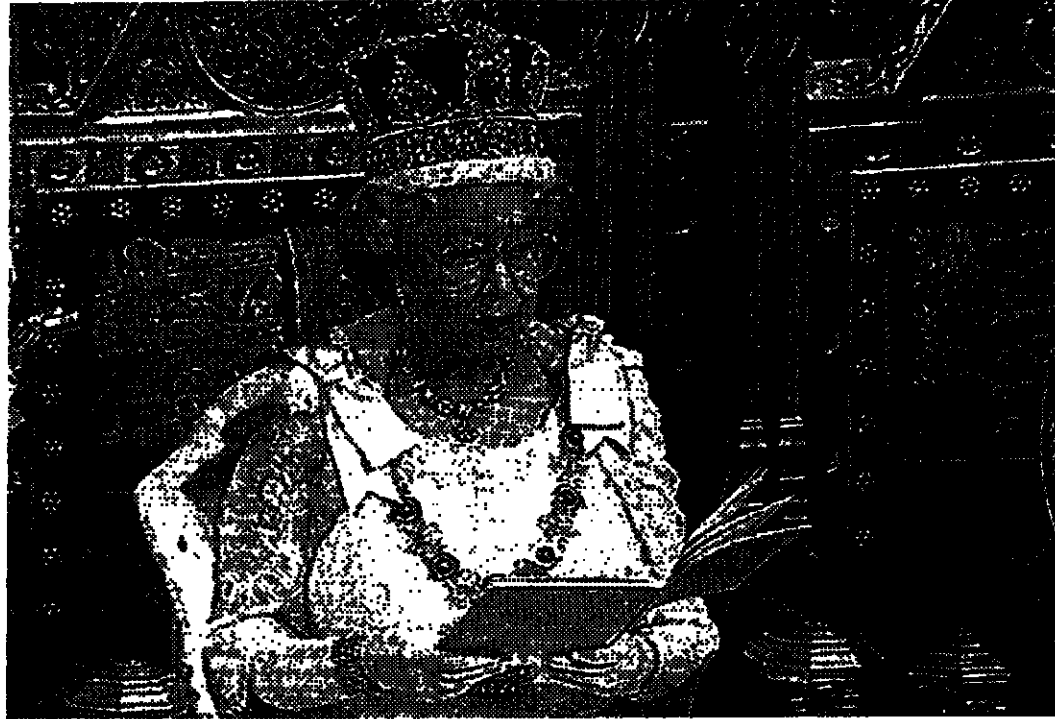
In fact, though, the inventory produced such a trove of anecdotes about royalty and riches that the catalogue has become a weighty two-volume work of history focusing more on human foibles than on diamonds and pearls.

"The project turned out bigger than we expected, because we had so much fascinating material," said Shirley Bury, a metallurgist and historian who was signed on to help catalogue the royal spoons, spurs and swords. "Of course we had to publish our listings," she said. "But we felt we needed to set out the history of the collection as well."

The history of Britain's crown jewels dates back about 1,000 years, but the collection has changed countless times over the centuries. Kings and their kin repeatedly have had to pawn the jewels to wage war, rebuild burned palaces and pay royal dowries. In the Middle Ages, kings routinely carried the crown jewels off to battle, partly because they did not trust their royal cousins back home at the palace, and partly because the sparkling diadems sometimes had to be hacked, piece by piece, to feed the soldiers in the field.

The royals made things tougher for the inventory team because of their invertebrate habit of moving jewels from one item to another. A sapphire that was supposed to be in the ring of King Edward the Confessor when he was buried in the 11th century now sits atop the Imperial State Crown — the crown Queen Elizabeth II wore in November for the opening of Parliament. The same crown also has a pair of pearls that reportedly fell off the necklace of Mary, Queen of Scots, when she was beheaded in 1587.

For centuries the royal family was so broke that it had to rent gems from London jewelers to stick on the crown for coronations and other glittering moments. As Britain became an imperial power, however, the



Queen Elizabeth II of Britain, wearing the Imperial State Crown, speaking before the opening of Parliament in November. The crown contains gems that have belonged to many past monarchs.

royal family was gradually able to accumulate its own hoard of crowns, pendants, brooches and ornaments of gold, silver and platinum.

Queen Victoria, the 19th-century monarch who reigned in the plunder brought back from her global empire, was a particularly avid collector. Among her prizes was the thumb-size Indian diamond known as the Kohinoor, or the Mountain of Light, the jewel that inspired Wilkie Collins' classic mystery story "The Moonstone."

The Kohinoor was a giant among gems, weighing 186 carats; by contrast, the most famous diamond in the United States, the Smithsonian's Hope Diamond, weighs 45.5 carats. Today the Kohinoor is one of 2,800 diamonds in the crown of Queen Elizabeth II's 98-year-old mother, who is known as the Queen Mother.

Even the Mountain of Light would dim, though, beside the biggest diamond ever discovered, the Cullinan diamond. It was found in Pretoria in 1905. The new trans-Atlantic telegraph cables quickly made the Cullinan an object of global fascination. Since South Africa, too, was a British colony in those days, all agreed that the gem had to be shipped to London for presentation to King Edward VII. This great prize became the dream snatch of jewel thieves the world over, and months were spent contemplating how to transport it safely.

In the end, Scotland Yard decided that the best rule to follow would be "the simpler, the better." The diamond as big as an eggplant was sent in an unmarked package by parcel post, and arrived a month later in the royal mailbag at Buckingham

Palace. The Cullinan eventually was cut into a set of huge gems, known as the Stars of Africa.

Today, the diamond known as Star of Africa I, an egg-size gem weighing 530.2 carats, is set in the royal scepter, a bejeweled staff each new British monarch carries in the coronation ceremony. Star of Africa II, at 317.4 carats, is in the Imperial State Crown, although members of the family occasionally wear it as a brooch.

The official inventory also lists all the items in the glittering warehouses where the queen's official dinnerware, or "Banqueting Plate," is kept. That 14-pound gold salt shaker is one of the most dramatic items on the queen's table, but even it has been eclipsed by the family's Grand Punch Bowl, an ornate golden utensil about the size of a bathtub that holds 29 gallons (110 liters) of champagne. Queen Victoria used to have her children baptized in it.

For all their years of counting and cataloging, the state auditors never resolved the question most often asked about the crown jewels. "Everybody wants to know how much the jewels are worth," said Ms. Bury, the historian who worked on the inventory. "There's only one answer we can offer, but it doesn't satisfy a soul. We just say the collection is 'priceless.'"

The official catalogue of the collection is not priceless, but it could definitely be called pricey. Just published by the Stationery Office — once a government printing agency but now privatized — the compilation of this first-ever inventory may require that you sell some of the family jewels to buy it. The two-volume set costs \$1,700.

Kosovo's Serbs Endure A Life 'Like in Prison'

Despair and Defiance Mark Ethnic Minority

By Peter Finn
Washington Post Service

PODUEJEVO, Yugoslavia — On the door of the Doknic family's third-floor walk-up in the middle of this depressed market town, a razor-thin cross recently was scratched in the white paint. One flight below, a similar mark is on the door of the Stojanovic, the only other Serbian family living in this building with seven apartments.

Above the Doknics, on the top floor, a bullet has pierced the living room window and a fist-size piece of the back wall has been blown away — allegedly the result of a rifle shot fired from an ethnic Albanian rebel stronghold near the village of Lapastica.

No one was hit, but the family that lived in the fourth-floor apartment fled, leaving their keys with the Doknics.

As he walks down the building's grimy stairs, Zoran Doknic, 33, passes a young ethnic Albanian neighbor. They do not acknowledge each other. And out on the street, busy with foot-traffic maneuvering in the dirty slush, Mr. Doknic glances around warily, a man who no longer trusts his front stoop.

"All day we close our doors," said his wife, Snezana, 32. "The children are not playing in a normal way. They are sitting in the house all day like pensioners. That is our life. Like in prison."

Despair and defiance mark the claustrophobic lives of the Doknics, Kosovo Serbian civilians who angrily fear — with some justification — that they are being squeezed from their homeland, one frightened family after another. They believe that their fellow Serbs to the north, especially in the capital, Belgrade, are ignorant of their plight. They say the West deliberately caricatures them all as marauding killers unworthy of sympathy.

Yet, for all their woes, they have only contempt for the political aspirations of ethnic Albanians, their neighbors, who make up 90 percent of the population of this Serbian province. "Podujevo used to be a Serb place," Mr. Doknic said. "But people are leaving. We are being isolated by terrorists."

Serbian civilians have moved into the ruins of Podujevo, having abandoned the surrounding villages. The Kosovo Liberation Army continues to hold parts of the Podujevo region, in an uneasy truce with Serbian military forces.

In the Doknics' small but proudly neat apartment, there is much bitterness but little room. And in recent weeks, the oppressive tension that causes the Doknics to live behind closed curtains at

high noon has sharpened. On Christmas Eve, the Kosovo Liberation Army and the Yugoslav Army plus Serbian police officers began four days of clashes near here, breaking a fragile cease-fire that was agreed to in October by the U.S. envoy Richard Holbrooke and President Slobodan Milosevic of Yugoslavia.

The cease-fire is being monitored by unnamed officials from the Organization for Security and Cooperation in Europe, which eventually brokered a truce, ending the latest fighting.

But in succeeding days, the bodies of Serbian and ethnic Albanian civilians have been found on the road, bullets in their heads. Serbs have been kidnapped and released. The last Serbian civilians living in the villages of Lapastica and Obradica left Saturday for Podujevo, the nearest big town.

In all, 35 Serbian families have left surrounding villages; there are now no Serbs living in villages near this town, officials said.

And most of the children in the area have been sent to relatives elsewhere in Serbia or in Pristina, the capital of the Kosovo region.

"It is ethnic cleansing," said Milovan Tomovic, the Serbian mayor of Podujevo. "There is no other word for it."

Markovic Stojanovic, 48, tends her farm outside town by day, feeding her livestock, lighting a fire to keep the damp out of her house and returning to an apartment in Podujevo before nightfall. "If something is not changed, there is no life for even one Serb here," she said. "What kind of state is this? We want our state to protect us."

Kosovo was the site of a battle in 1389 that led to Turkish domination of Serbs for five centuries. The Serbian Orthodox Church was founded here. The region is often referred to as the cradle of Serbian civilization, explaining the nation's attachment to the place. But the Doknics and Stojanovic do not speak of battlefields and monasteries, defeated princes and holy ground.

"My grandfather came here 100 years ago," said Mr. Doknic, who was a driving instructor until the war last year cost him his job. Like most Serbs, he continues to receive a salary from the state.

"This is our home," he continued. But he said he is considering leaving, if only so that his two children, ages 5 and 8, will no longer be afraid to play outside and can go to school without being accompanied by an adult.

"Where to go?" he asked quietly, reflecting on his fear that there is no much for him elsewhere in Serbia.

Indeed, Mrs. Stojanovic said that when she talks to friends and relatives elsewhere in Serbia, she often believes they would not be able to find Pristina on a map. But, minutes later she said that Serbs would come to the province's defense — if only they understood, if only NATO was not threatening Mr. Milosevic.

Like many Kosovo Serbs, the families of Podujevo contend that the offensive last summer against the Kosovo Liberation Army was necessary to root out "terrorists."

They dismiss suggestions that the campaign's principal victims — more than 1,000 dead and tens of thousands homeless — were ethnic Albanian civilians.

"That is a lie," Mrs. Stojanovic said. "The police were doing their job. I would be the first to object if the police were harassing civilians."

The 1.8 million ethnic Albanians, long subservient to Serbs in the governance of Kosovo, want independence from Serbia, the dominant republic of Yugoslavia. And they are impatient with international mediators who want settlement based on political autonomy, not the creation of a state.

But for these Kosovo Serbs, even autonomy is an unacceptable form of surrender, and unnecessary. They assert that the Kosovo Liberation Army has hijacked the world's attention and imposed an agenda on "decent Albanians," who, they say, actually want Kosovo to remain a part of Yugoslavia. "They have plenty of autonomy," Mrs. Stojanovic said. Speaking of ethnic Albanians, she added: "Life is wonderful for them in Kosovo."

U.S. Storm Paralyzes Air and Road Traffic

The Associated Press

NEW YORK — The misery created by a huge winter storm in eastern North America stretched into a third day Monday, with frustrated air travelers still waiting for flights, with highways slippery or clogged by snow and with thousands of customers lacking electricity.

Hundreds of school districts from Iowa to Ohio and in parts of New England canceled classes. The police counted scores of accidents on ice-covered roads from Maine to South Carolina, and some Indiana roads were closed.

"It's kind of desolate out there," said Jeff Schneider, a road commissioner for Hittle Township in central Illinois. "I don't see anybody but me, and I'm wondering why I'm here."

At least 56 deaths had been attributed to the huge snow and ice storm in the eastern half of the United States and Canada since Friday, many due to heart attacks brought on by shoveling snow. Seven of the deaths were reported in Ontario, where many towns were virtually shut down by 16 inches (40.6 centimeters) of snow.

Outside the snow belt, temperatures fell to minus 29 Fahrenheit (minus 34 centigrade) in North Dakota and the wind chill at Morris, Minnesota, was minus 64. Three weekend deaths in Oklahoma and Nebraska were attributed to the cold.

In Chicago, 21.6 inches of snow fell at O'Hare International Airport from Friday through early Sunday, the biggest total for a single storm since 23 inches fell during a blizzard in 1967. Twelve of the deaths were in Illinois.

The blowing snow brought air travel to a near standstill Saturday as most major carriers canceled the bulk of their flights in and out of Midwest hubs.

United Airlines canceled 60 percent of its flights out of Chicago on Sunday, and American Airlines canceled at least half. By Monday morning, there were only a few cancellations at the airport, but there were still many stranded travelers trying to get on flights.

In Detroit, Northwest Airlines managed only a handful of flights Sunday. On Monday, Northwest said none of its flights would land at Detroit before noon, and continued cancellations and disruptions were expected throughout the day.

Hundreds of flights were canceled Sunday at Pearson International Airport in Toronto, and Air Canada and Canadian Airlines International said the backlog might not be cleared before Wednesday.

More snow was expected. An additional foot of snow was forecast Monday in southwestern Michigan. Buffalo, New York, got so much snow that travel in the city was banned and the airport and public offices were closed. Snow fell at a rate of 1 to 2 inches an hour and wind gusting to 45 mph caused blizzard conditions.

Snow turned to sleet and rain as the storm moved eastward.

DEATH NOTICE

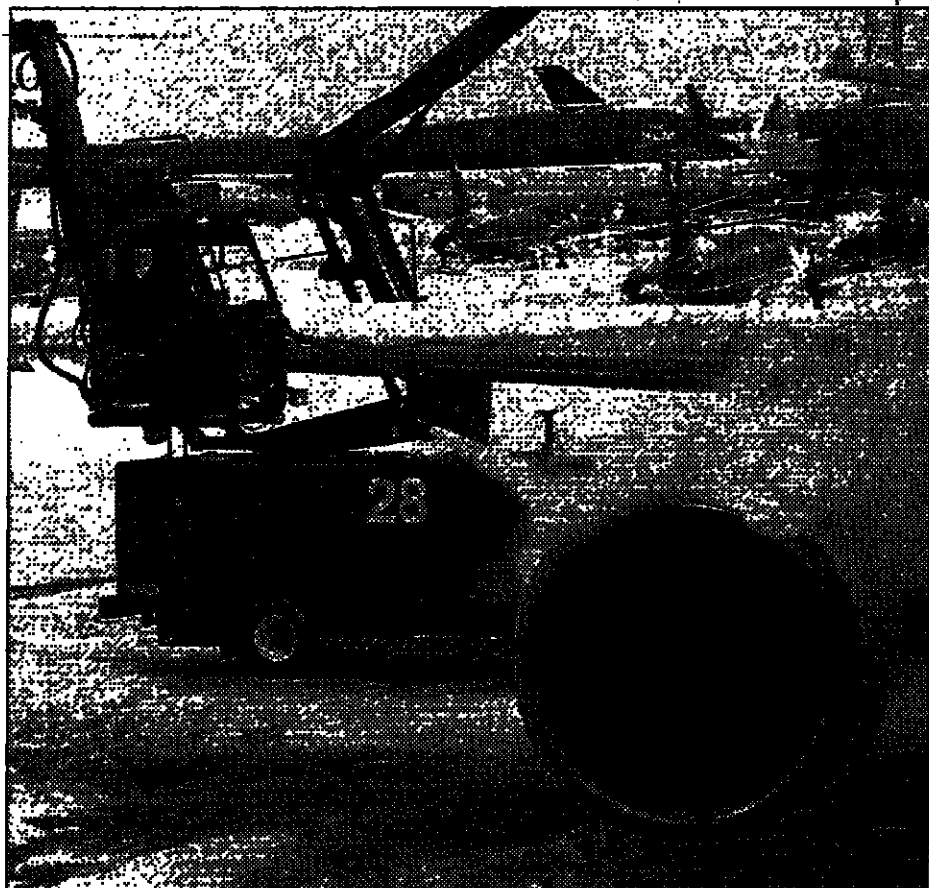
Monsieur Orlando WILSON, her husband, Mr. Charles Q. WILSON, her son, and all his family have great sorrow in announcing the death of Monsieur Orlando WILSON of Golden Gate Quarters who passed away on 31st December 1998, at the American Hospital in New York. The funeral will take place in Norfolk, VA, U.S.A.

Correction

A photo caption in the Saturday-Sunday edition mistakenly noted the end of the Muslim holy month of Ramadan. Because the Islamic calendar is lunar-based, the month ends, strictly speaking, with the sighting of the new moon, expected on or about Jan. 18.

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A ground crew at Detroit Metropolitan Airport using a high-pressure hose to remove ice from a jet engine. The storm stranded thousands in the Midwest and East.

TRAVEL UPDATE

U.S. Embassy in Tel Aviv Reopens

TEL AVIV (AP) — The U.S. Embassy in Tel Aviv re-opened Monday after security officials said the terrorist threat which prompted the closing of the embassy last week was not as credible as initially believed.

But an embassy spokesman said security procedures at the Mediterranean beachfront compound would be reviewed.

Meanwhile, the U.S. Embassy in Damascus will resume some consular services Tuesday after a two-week closure following a riot. Hundreds of demonstrators attacked the U.S. and British embassies and their cultural centers on Dec. 19 to protest the two nations' air strikes against Iraq.

Face-Lift for Amsterdam Airport

AMSTERDAM (AP) — Schiphol Airport is planning a 1 billion guilder (\$532 million) renovation as it spruces up for the new millennium. Plans at the fast-growing airport include renovation and expansion of the waiting lounge and construction of a shopping center. Gerlach Cerfontaine, the Schiphol president, announced Monday.

Striking railroad workers demanding higher wages disrupted rail traffic in parts of Hungary on Monday. Traffic was halted at Hegyeshalom, the main rail crossing into Austria, and serious disruptions were reported in eastern Hungary.

Protests by Olympic Airways pilots delayed flights and left passengers on flights from Paris and London stranded, the Greek airline said. The pilots are protesting overtime requests and are calling for the abolition of a new tax on their salary. (AP)

NASA Sends Probe To Seek Mars Water

Washington Post Service

CAPE CANAVERAL, Florida — Continuing its scientific assault on Mars, NASA launched a compact robotic lander Monday that will set down near the red planet's south pole in December to search for water locked away in its frigid soil.

The idea is to find out what happened to the running water that once carved the Martian surface and to determine if life could have evolved before the environmental catastrophe that left Mars the presumably barren planet it is today.

"One of the most compelling questions that NASA's space program is determined to answer is whether life on Earth is unique or whether it is a cosmic imperative," said Ed Weiler, associate administrator for space science at the National Aeronautics and Space Administration. "If you want to look for life, either fossilized life or existing life, you have to follow the water."

The 639-pound (290-kilogram) Mars Polar Lander, launched here atop a Boeing Delta 2 rocket, is the second of two missions in the \$193 million Mars Surveyor '98 program.

The first, called the Mars Climate Orbiter, was successfully launched Dec. 10. It will slip into orbit around Mars in September to carry out panoramic photographic surveys and to probe the planet's tenuous atmosphere.

The polar lander is scheduled to touch down roughly 15 degrees north of Mars's south pole on Dec. 3 during spring in the planet's southern hemisphere. It survived the launch Monday in good shape, officials said, although its navigation system had problems locking onto the proper guide stars.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



North America: A tropical storm may have a moderating northeast across the United States. A cold front will move across the Midwest and the Great Lakes region. A cold front will move across the Midwest and the Great Lakes region.

Europe: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

Asia: A cold front will move across the North Pacific. A cold front will move across the North Pacific.

Africa: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

South America: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

Oceania: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

Legend: sunny, partly cloudy, cloudy, showers, thunderstorms, rain, snow, sleet, fog, hail, wind.

Map, forecasts and data provided by AccuWeather, Inc. ©1998 - http://www.accuweather.com

North America: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

Europe: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

Asia: A cold front will move across the North Pacific. A cold front will move across the North Pacific.

Africa: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

South America: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

Oceania: A cold front will move across the North Atlantic. A cold front will move across the North Atlantic.

THE AMERICAS

No Delay For Clinton's Key Speech

State of Union Address To Go On Despite Trial

By Brian Knowlton
International Herald Tribune

WASHINGTON — Shrugging off calls from several senators, the White House spokesman said Monday that President Bill Clinton had no plans to delay his delivery of the State of the Union speech on Jan. 19.

The outlines of the president's impeachment trial — which one senior senator described Monday as "the trial of all time" — remain blurry, with proponents of a telescoped legal proceeding arguing behind the scenes with those who favor a months-long trial that would bring key witnesses before the Senate.

A number of senators said Sunday that it would be inappropriate for the president to deliver the State of the Union message, one of a U.S. president's few constitutionally prescribed obligations, if his impeachment trial is under way. To do so, said Senator Slade Gorton, Republican of Washington, "would be unseemly and distracting."

The White House spokesman, Joe Lockhart, said such a delay was not being considered. "The president is hard at work on putting together the State of the Union address," he told reporters. "We're planning to give that on Jan. 19." He said he was unaware of any requests by Senate leaders to change the date.

Mr. Lockhart indicated, however, that the White House approach might change when Senate plans for an impeachment trial, or possibly a preemptive vote that could make such a trial unnecessary, become clearer after the 106th Congress convenes Wednesday. Those arrangements are going to be discussed this week and we'll wait to see how that works out," Mr. Lockhart said.

The 45 Democratic members of the new Senate and the 55 Republican members are to meet in separate caucuses this week to hammer out strategies for proceeding on the two impeachment counts, alleging perjury and obstruction of justice, approved in votes last month by the House of Representatives.

Most Democrats favor either an expedited trial or a "circuit-breaking" vote to determine early whether, even if the charges are proved, the 67 votes needed for conviction could be obtained.

The Senate majority leader, Trent Lott of Mississippi, has been working with his Democratic counterpart, Tom Daschle of South Dakota, to craft a compromise approach calling for a trial of perhaps four days. No witnesses would be called.

Republicans, however, are sharply split. Some, particularly conservatives and the most pointed critics of the president, want a full-blown proceeding, possibly including witnesses such as Monica Lewinsky, the presidential secretary Betty Currie, and top presidential friends and aides.

Mr. Lockhart said Monday that there was little chance the president would accept the suggestion by some senators that he submit a written State of the Union report rather than deliver it in person before a joint session of Congress, as is dictated by tradition but not the constitution.

The annual speech is one of a president's most widely watched performances, allowing him to set forth his vision of a national agenda for the coming year.

Last year, as it happened, Mr. Clinton gave the speech only days after news stories first reported on his relationship with Ms. Lewinsky. He made no mention of the burgeoning scandal, and received generally high marks for his delivery.

Before the era of television, presidents submitted their annual addresses to Congress in writing.

The calls for a delay in the State of the Union speech raised questions from some Democrats, who asked why this one presidential function should be suspended while others — even the power to order military strikes against Iraq — remained in place.

Senator Arlen Specter of Pennsylvania, a senior Republican, said he opposed a delay in the State of the Union speech.

"I do not think the State of the Union ought to be deferred, or at least I think it ought to be up to the president," he told reporters on the White House driveway. "I think that it's very important that we conduct business as usual."

Mr. Specter has called, however, for a full trial with witnesses. He said Monday that such a trial would be the most important "in the history of Anglo-Saxon jurisprudence." He called it the "trial of all time."

Mr. Lockhart, asked by reporters about Mr. Lott's plan to expedite proceedings, said the matter was up to the Senate. "It's our hope that they come up with a process that's fair, bipartisan and expeditious," Mr. Lockhart said.



Representative Dennis Hastert, right, expected to be the next House speaker, shown in his Washington office with fellow Republican representatives, from left, Jerry Weller, Thomas Davis and Mark Foley.

Can Congress Rise Above the Furor?

Major Legislation Is Imperiled as Impeachment Takes Center Stage

By Eric Pianin
Washington Post Service

WASHINGTON — With President Bill Clinton facing a Senate trial and the House Republican leadership in disarray, the new Congress convenes this week with serious doubts that it can rise above the impeachment furor to leave a lasting legislative legacy.

Campaign finance reform appears dead for another year, and few seriously believe that Congress will pass a major tax cut or anti-smoking legislation. While prospects are fairly good that Congress will revive left-over banking legislation and a patients' bill of rights for health maintenance organizations, most other major legislative initiatives seem in peril.

Yet surprisingly, some on Capitol Hill and within the administration insist that Social Security reform — arguably the most sensitive issue of all — is the one major area where consensus may prove possible. Some analysts say that if Mr. Clinton survives his Senate ordeal, he and his Republican antagonists may find it mutually advantageous to work out a compromise to assure the long-term health of Social Security.

"I'm sure in their guts both sides would like to meet in a dark alley and fight it out," said Robert Reich, a former director of the Congressional Budget Office. "But for appearance sake, if nothing else, they may have to cooperate to a greater degree than they did in the last session."

Even as Senate leaders prepare for the historic impeachment trial, White House officials are going through the

motions of preparing for another year of budget and legislative jousting as if nothing were out of the ordinary. Mr. Clinton is scheduled to deliver his State of the Union address Jan. 19 to a joint session of Congress and will submit his 2000 budget to Congress on Feb. 1. But rarely has a new Congress taken over in so bitter and uncertain a political climate. While Mr. Clinton clings to power, Representative Dennis Hastert, Republican of Illinois, a little-known chief deputy whip, prepares to assume the speakership of a fractious House after two months of extraordinary leadership turmoil.

At the very least, many politicians and analysts agree, the high-profile items before Congress won't be going anywhere this year. Mr. Hastert has vowed to press again for major tax cuts, but that proposal died in the Senate last year and there is little support for it among moderate Republicans and Democrats.

Meanwhile, the administration will most likely try to resurrect teenage anti-smoking legislation and some type of tobacco levy to help offset the cost of its domestic initiatives. But those proposals have formidable foes in the Senate — as does campaign finance reform legislation that would limit or bar the use of unregulated "soft money" by the two parties.

However, there are some items left over from last year — including education initiatives and adopting some version of a proposal to crack down on alleged abuses of patients by some HMOs — that may be enacted this year. And momentum is building in both

parties for a major military buildup after years of post-Cold War downsizing.

Over the weekend, Mr. Clinton revealed that he would propose to increase defense spending by \$110 billion over the next six years, including \$12 billion next year, as part of his 2000 budget submission. If approved by Congress, the increase would fund the largest military pay increase since 1984 and sophisticated new jet fighters, attack helicopters and warships.

The request would bring defense spending in the year that begins Oct. 1 to \$296 billion and would represent the first substantial, sustained increase for the Pentagon in 15 years, according to defense officials. It would be less than the \$148 billion increase sought by Pentagon leaders and less than some Republican leaders say is sufficient to enhance military readiness.

Because the administration continues to adhere to the spending caps in the 1997 balanced budget agreement, it will be difficult to find the additional funds. Administration officials suggested some of it would come from programs whose costs may be less than anticipated because of low inflation and declining fuel prices.

Wrestling With Office

As 'The Body' Takes Over in Minnesota, He and the State Wonder What He'll Do

By Pam Belluck
New York Times Service

ST. PAUL, Minnesota — The new governor of Minnesota doesn't know exactly what he'll do in office yet, but he has made a decision about his daily schedule.

No appointments before 9 o'clock in the morning, he has told his staff. Why?

"Arnold was very worried about me," the governor-elect said the other day. "Arnold told me I really have to get back to working out, so that's what I'm going to do every morning."

Arnold would be Arnold Schwarzenegger, of course. And he was offering advice to his friend and fellow muscle man, Jesse (The Body) Ventura, the former professional wrestler who happened to get elected in November to Minnesota's highest office.

With Mr. Ventura officially becoming governor on Monday, there was still a lot up in the air.

How will Mr. Ventura, who won 37 percent of the vote under the banner of the Reform Party, work with a House of Representatives controlled by Republicans and a Senate controlled by Democrats? What will his policies be? And how will a self-styled outsider who ran under the slogan "Retaliate in '98" adjust to being part of the political establishment?

One thing seems clear: Mr. Ventura will be unlike any governor Minnesota, or any state, for that matter, has ever seen.

He has already been the subject of the Doonesbury comic strip and a guest on the Jay Leno and David Letterman talk shows. He has signed a six-figure book deal. And he is arranging for the sale of Jesse Ventura action figures and T-shirts with slogans like "In Jesse We Trust."

Even his elaborate series of inauguration events seems unprecedented, including a gigantic party this month for 15,000 people in a basketball arena, for which tickets at \$10, \$15, and \$20 sold out long ago.

"This is strange stuff," said Steven Schier, chairman of the political science department at Carleton College in Northfield, Minnesota. "Usually, a governor comes in and you know where he stands, who his enemies are and what he's going to do for the next four years." Mr. Ventura, he said, is "working hard at it and he's smart, but the problem is he's got zero background."

Mr. Ventura, the strapping, chrome-domed, former bad boy wrestler, action-film actor and talk radio host, stunned prognosticators by trouncing two respected and well-known opponents, the Democratic attorney general, Hubert Humphrey 3d, and the Republican mayor of St. Paul, Norm Coleman.

Many of his supporters were young people, especially men, and nearly half had only a high school education. They saw something refreshing in Mr. Ventura, whose previous political experience was as a part-time suburban mayor and who himself voted in only 4 of the last 14 elections.

Now, Mr. Ventura has put away his leather jacket and jeans — and his occasional camouflage outfit and Australian bush hat.

He is getting used to a chauffeured sedan instead of his beloved Porsche. And he has submitted to a phalanx of bodyguards, because, he says, "It wouldn't be too good if the governor knocks somebody down."

Aware he has a lot to learn, he is trying to get off to a strong start. He has assembled an advisory committee and immediate staff, drawing some of the more independent-minded people from all parties, people generally considered skilled and knowledgeable. He has spent time touring the state and visiting every state department.

"We're like the discoverers of the New World," Mr. Ventura said in his transition office in the basement of the Capitol building, where he has hung a neon sign with the words "Jesse the Gov" and an image of Rodin's "The Thinker." A pose Mr. Ventura struck in one of his campaign commercials.

"There was no one who could sit there and say, 'Been there, done that.'"

Since the election, Mr. Ventura, who is generally considered fiscally conservative and socially progressive on issues like abortion, has given few concrete hints about his policies, saying he wants to be prudent and consider a range of ideas.

He has proposed that his wife be paid a salary. And he wants to put the money from selling T-shirts and action figures into his campaign fund, but will give it to charity if the state's campaign ethics board disapproves. He has also asked stores not to sell the immensely popular, but unlicensed, items that came out shortly after the election: T-shirts and baseball caps that say, "My Governor Can Beat Up Your Governor."

POLITICAL NOTES

Gingrich Advises Party to Cool It

PHOENIX, Arizona — Representative Newt Gingrich may be on his way out of the speaker's office, but his mind is still actively concocting grand strategies to save the Republican majority in Congress that his critics say he nearly destroyed.

Most important, the Georgian told a group of conservatives here, Republicans need to present themselves as the party of tax cuts.

His big mistake last year, he said, was failing to push for substantial tax cuts early in the year and then being too exhausted to focus on them later when Washington became enveloped in the impeachment of President Bill Clinton.

But he also urged his party to lie low for the next two years to regroup and rethink its approach to keeping the House and winning the presidency. Such passivity seemed a curious retreat for the self-declared leader of the Republican revolution, but it reflected what his friends said was his belief that Washington had become too ferociously partisan to get anything done.

"From the standpoint of the House and Senate," Mr. Gingrich said, "if we can adopt as our primary slogan 'Do no harm' and simply block liberal measures for two years and set the stage for a Republican presidency, that is probably the most we can hope for, given the nature of the current Washington environment."

Still, he encouraged his party, if indirectly, to press forward with the impeachment process — a process that he was rebuked for overemphasizing during the elections last fall and that helped lose him the speakership.

Republicans, he said, should "calmly and directly stand for the rule of law and do so without em-

barrassment" and "stand for the constitution no matter what the cost."

Friends said Mr. Gingrich was determined not to attack Mr. Clinton in his speech. The phrase "rule of law" has become Republican shorthand for pursuing Mr. Clinton for perjury.

But that was Mr. Gingrich's only remark that drew resounding and sustained applause, and it won him a standing ovation.

He spoke here at a banquet that concluded a four-day annual New Year's conference of about 300 conservatives called The Weekend, formerly the Dark Ages. (NYT)

Ashcroft Showing Signs of Cold Feet

WASHINGTON — Senator John Ashcroft, Republican of Missouri, a conservative former governor who spent the last year laying the groundwork for a presidential campaign, may be getting cold feet.

Several supporters and Republican operatives said during the weekend that they believe he will not run for president. One backer, speaking on condition of anonymity, said Mr. Ashcroft told him he was not likely to run.

The senator is scheduled to announce his intentions Tuesday.

Several backers, particularly Missouri financial supporters, are said to be urging Mr. Ashcroft to concentrate on retaining his seat in 2000. The popular Democratic governor, Mel Carnahan, has decided to challenge Mr. Ashcroft.

He has been courting social conservative leaders in his White House bid, a move that backers say could put him at odds with mainstream voters in his home state.

Attempts last month to reshape his message for a broader, more moderate national audience drew criticism from some conservatives. (AP)

Goldstein, was charged with murder.

Three men wearing ski masks broke into a Sprint Corp. telephone office in the Las Vegas region, tied up workers, shot them with stun guns and stole computer equipment, leaving an estimated 75,000 customers without phone service Sunday. The workers were not seriously injured, and police had no suspects. (AP)

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RTL
TELEVISION

Away From Politics

Strong winds flipped an outrigger canoe, tossing six members of an expedition paddling team into the cold Pacific Ocean dressed only in shorts and T-shirts. Water temperature was 50 degrees Fahrenheit (10 centigrade). One crew member was missing and another was in critical condition. The sixth was in a 40-foot outrigger Sunday to row to an oil platform

about 10 miles off the coast. About one-and-a-half miles into the trip, the boat capsized in high winds and sank. No one was wearing a life jacket. (AP)

A man shoved a 32-year-old woman to her death under a subway train as it pulled into a Manhattan station in New York, police said. Kendra Webdale, a receptionist who lived in Manhattan, was killed Sunday at the 23d Street and Broadway station. The suspect, Andrew

ASIA/PACIFIC

Cambodia Villagers Abandoned After Toxic White Christmas

By Seth Mydans
New York Times Service

SIHANOUKVILLE, Cambodia — When 3,000 tons of industrial material from Taiwan was dumped in a field here a month ago, the poor villagers living nearby were thrilled at the windfall.

They emptied out chunks of the cementlike material from the white plastic sacks to use for tents and canopies and bedding. They ripped open the bags with their teeth to get string to use as clotheslines and as fasteners for oxcars. They rinsed out the bags and used them to store rice.

"We thought we were in luck!" said Em Sim, 35, laughing at her folly. "Yes, we thought this was our lucky day. For me the bags were just what I needed to make a sleeping mat."

The mat smelled a little like cement when she slept on it, she said. Then she started to have headaches. She began to feel thirsty and tired. She had difficulty breathing. She lost her appetite, suffered from diarrhea and began to lose weight.

Her 5-year-old son, Chhien, who played in the dusty waste material while his mother gathered the sacks, has developed a rash and a fever and also has been losing weight, Mrs. Sim said.

One after another, members of 40 families that evacuated the village of Bet Trang told similar stories of mysterious ailments that began after dozens of trucks arrived in the night and unloaded the material nearby.

In the weeks since then, the dump has aroused international concern and caused a local panic. A dockworker who cleaned out the hold of a ship transporting the material died, and five others were hospitalized.

Learning of this, residents of Sihanoukville fled the coastal city, then most of them returned. A riot broke out in the city center, damaging several buildings and leading to a dozen arrests, including

two human rights workers who were advising the demonstrators on how to conduct a legal protest.

A variety of tests determined that the waste material — compressed ash from an industrial waste incinerator — was contaminated with high levels of mercury as well as a possibly hazardous mix of other metals.

But debate continued over the degree of danger it posed.

The company that had sent the waste, Formosa Plastics Corp., said it had not been able to dump it in Taiwan because of a threat of public protests. The Cambodian government threatened to sue, and Taiwan agreed to take the waste back. Workers have begun sealing it in barrels.

The villagers said they first learned that they had been handling toxic material when local journalists arrived two weeks after it was dumped to take pictures of them.

Just before Christmas, they said, the military sealed off the village and ordered them to leave. Apart from that, the villagers said, the government has ignored them. They have not been tested for poisoning, nor treated for their ailments. They have not been given alternative shelter. They are living as squatters and surviving on donations from the World Food Program.

The people of Bet Trang spoke with anger. "You don't usually see people getting angry about things around here because they have taken so much in their lives from people who have more influence than they do," said Michele Brandt, an American lawyer who works with Legal Aid of Cambodia, a local human rights group.

It remained unclear, one month after the dumping, just how toxic the material is and what had caused the villagers' symptoms. Ms. Brandt, whose organization is representing the affected villagers, said government officials, in-



Cambodian soldiers removing some of the 3,000 tons of mercury-laced industrial waste near Sihanoukville.

experienced in handling such emergencies, did not advise the villagers to move away when the possibility of poisoning was first raised.

Georg Peterson, the Cambodian representative for the World Health Organization, told Reuters that although tests had found "extremely high" concentrations of inorganic mercury, the material posed little immediate threat to health.

He said blood and urine tests on port workers and soldiers who had handled the material were normal and that "none seems to have symptoms of poisoning."

But Ms. Brandt said the evacuees' exposure seemed to have been more direct and prolonged than that of the port workers and soldiers.

Hun Vuthy, 15, was among a group of youngsters who had romped in the

dumpsite. "We picked it up and played in it," he said. "It was interesting stuff, and I was curious." He is now suffering from fever, diarrhea and weight loss.

Lan Chan Heng, 30, ripped some of the bags apart with his teeth to get the string that was used to fasten them. He said he now suffered from a white discharge from his eyes and from pain in his eyes and bones and joints that kept him awake at night.

Red-Light War on AIDS
Committee of Calcutta Prostitutes Leads Model Program to Promote Condom UseBy Celia W. Dugger
New York Times Service

CALCUTTA — In the Sonagachi red-light district, where thousands of women sell their bodies along narrow, thronged lanes, it is the prostitutes themselves who have become the leading crusaders against AIDS.

Like missionaries spreading the gospel, scores go forth each morning from brothel to brothel, preaching to madams, pimps and other prostitutes about the importance of using condoms, the most effective shield against HIV infection.

And they have done much more than talk. These women, despised outcasts in Indian society, have organized more than half the prostitutes of Sonagachi into a force with the influence to challenge any pimp or madam who would insist on a customer's right to sex without a condom. They call themselves a committee, but operate as a kind of labor union.

Later this year, the Indian government will use the Sonagachi project as its model in a large-scale battle against acquired immune deficiency syndrome, swayed from red-light district to red-light district, across the vastness of this country of almost a billion people.

The hope is that if India acts swiftly, while the overall infection rate is still relatively low, at less than 1 percent of the total adult population, it can avoid the horrific burden of death that afflicts Africa. Even now, because of its immense population, India already has 4 million people estimated to be infected with the virus.

In a line of work that spawns cut-throat competition among desperately poor women and that regularly prompts prostitutes to risk death by HIV infection for the equivalent of 50 cents per sex act, the Sonagachi project has knit them together to fight for their rights and their lives.

Condom use in Sonagachi has soared, from 3 percent in 1992, when the project began, to 90 percent in 1998. Researchers who have conducted random sample surveys in Sonagachi have also found that HIV infection rates among prostitutes here have been held to about 5 percent, a small fraction of the 50 percent of prostitutes who are infected in Bombay.

Slowing the rate of infection among prostitutes and their customers is essential to protecting the general population, epidemiologists say.

The truck drivers and migrant workers who go to prostitutes are the same people who are carrying the disease back to wives and lovers in villages all over the country.

These days, when Pushpa Das, 30, a prostitute in Sonagachi, is confronted by a man who refuses to diminish his pleasure by wearing a condom, she tells him to go away and knows her madam will back her up.

"Sometimes I have to lose a customer, but I don't want to get HIV," Mrs. Das said evenly. "I just return the money."

Mrs. Das cannot afford to die. Her husband is out of work. Her \$50 a month earnings keep her and her 11-year-old daughter, Asha, and her extended family. Before she became a prostitute, she had been making \$10 a month as a maid and her family was down to one meal a day.

The Sonagachi project pays 180 prostitutes about \$1 a day each to spread the word about AIDS and condoms. Britain, long the colonial power in India, pays for the project and is one of the largest foreign aid donors supporting health programs here.

This year the Indian government, with about \$50 million in financial backing from the World Bank, will begin using nonprofit groups and government agencies in a nationwide effort to mobilize prostitutes against the disease. The project in Sonagachi costs about \$210,000 a year.

"The experience from other parts of the world and from Sonagachi suggests that such efforts are the single most important thing that can be done to try to control the epidemic," said Prabhat Jha, an epidemiologist at the World Bank who is team leader for its AIDS project in India.

One recent morning a group of prostitutes sat on the balcony of their brothel overlooking a vibrant, clogged lane in Sonagachi. It was too early for customers, so the women's faces were free of makeup. Over the jangling of hand-pulled carriages and the cries of hawkers selling papayas, they spoke of the poverty that had driven them into the sex trade.

Milan Sarkar, 21, was married at 15 and abandoned by her husband at 16, with an infant son, Anoop, to raise. There is no government safety net, so a year ago she went to Sonagachi. Her income now supports her parents, two siblings and her 5-year-old son.

Miss Sarkar shields Anoop from a living, telling him only that she has to go to work while he stays with his grandparents.

She said she refuses to have sex without a condom, but some drunken men force themselves on her, while others tear the condoms with their nails so they will peel off during sex.

"I'm very frightened about AIDS," she said. "My son and my whole family depend on me. My father is old and won't be able to continue working. I have to live here for them. And it is a terrible pressure."

The prostitutes who work in the Sonagachi project have used a combination of sweet-talk and occasional arm-twisting to persuade madams about condom usage. Delegations of prostitutes, wearing distinctive green medical jackets over their saris, visit madams and tell them, "If you are to enjoy the fruits of the tree, you must keep the tree healthy."

Gita Das, 50, a madam, manages five prostitutes who commute to Sonagachi daily to work in two small, dingy rooms. Mrs. Das, who wears a bindi, the red dot on a woman's forehead that signifies her status as a married woman, inherited the role of madam from her mother-in-law 25 years ago.

She has become a convert to condoms out of her own self-interest.

"I argue with the customers, 'You should use condoms,'" she said. "If they refuse I send them away. If the girls use condoms and stay healthy, that helps keep them loyal to me."

Not every expert is sure the Sonagachi approach will work outside the state of West Bengal.

Calcutta, its capital, has India's strongest tradition of labor unionism, an inspiration for the Sonagachi project. In contrast, Bombay, the epicenter of the epidemic, has a brutal and powerful mafia that runs the sex trade. Gangsters are likely to resist efforts to organize prostitutes.

Nonetheless, even the skeptics agree that India must act.

"If you don't try to take these efforts to scale, you'll have little wonderful corners, but you won't address the big issues that India poses by its sheer size," said Gordon Alexander, who heads the United Nations AIDS program in India.



Prostitutes teaching others to read at a Calcutta health clinic. The anti-AIDS program in the Sonagachi red-light district is to be extended throughout India with \$50 million in financial backing from the World Bank.

It's a Buyer's Market as Yak Meat Abounds in Lhasa

By Seth Faison
New York Times Service

LHASA, Tibet — A man with a crumpled brown fedora picked through the yak hooves that lay on a roadside table, next to the slabs of fresh red yak meat. The man, whose name was Gomchen, seemed to be looking for something he could not find.

"Are these all you have?" Mr. Gomchen asked, pushing up his hat and rubbing his forehead, as though the fedora were one size too small.

The seller, Lobsang, was eager to make a sale on a slow day, but he seemed to grow impatient with the way Mr. Gomchen kept picking up the same hooves, inspecting them and setting them back down.

"Are you buying or looking?" Mr. Lobsang, who like many Tibetans uses only one name, asked between swigs at the flies that buzzed around the hunks of yak meat. "A hoof is a hoof."

Mr. Gomchen wandered off silently to inspect the wares at nearby tables, where other meat sellers lounged patiently, each with a makeshift canopy to shield his meat from the afternoon sun.

It was just another day at the yak meat market. Tibet may be known around the world as a mountainous region where a devoutly religious people have been persecuted by their Chinese landlords, but everyone has to eat. In Tibet, shopping for food inevitably includes a trip to the yak meat market.

"Yak, tsampa, tea," Mr. Lobsang said, describing his diet with a simplicity befitting this simple mountainous land. Tsampa is the main staple in Tibet, a mix of barley flour and rancid yak butter.

Most Tibetans are strict Buddhists, but vegetarians are not as common here as in some other Buddhist regions. Yak meat is consumed in stew, in grilled hunks and even — particularly in restaurants fre-

Philippine Court Delays Execution

The Associated Press

MANILA — Three hours before a convicted rapist was to be put to death, the Philippine Supreme Court ordered a six-month delay Monday in what would have been the country's first execution in 23 years.

Leo Echegaray, a 38-year-old house painter, had been scheduled to die by lethal injection for repeatedly raping his 10-year-old stepdaughter. He wept with joy when told of the court's ruling, a prison chaplain said.

As a nearby church bell pealed, about 100 demonstrators who oppose the death penalty cheered outside the prison where the execution was to have taken place.

But President Joseph Estrada expressed dismay at the ruling, calling it a "sad day for law enforcement and the rule of law."

In recent weeks, several lawmakers sought a review of the law that restored the death penalty in 1994.

In an 8-to-5 ruling, the Supreme Court said "the merest chance that the Congress might reconsider" the law required that Mr. Echegaray be granted a postponement.



Roman Catholic nuns cheering the announcement that the Philippine Supreme Court stayed the execution of a rapist on death row.

quented by tourists — in yak burgers.

On this day, the meat market was moving at Tibetan speed, meaning things were slow. A few customers wandered up as the hours stretched by, but many resembled Mr. Gomchen, minus the fedora, since they looked more than they bought. A monk wearing an intricately woven gold-and-crimson cap and oversized sunglasses, his arms invisible under a full-length red robe,

wandered from table to table, looking at the yak meat in silence.

"Business is bad," said Lhamo, whose red brocade headress is the signature of the Khamapas, or people from Kham, a region in eastern Tibet. "Too many sellers, not enough buyers."

The rough winter of 1997-98 was followed by serious flooding in the summer. Though that might have set off a meat shortage, driving prices up, yak

meat sellers said it scared many Tibetan herders into thinking about what would happen if there was another rough winter this season.

So an unusually large number of them decided to slaughter their yaks in the autumn and cart the meat to Lhasa, the capital, where prices are traditionally the highest. With so much supply, the price of yak meat has fallen to 75 cents a pound (\$1.65 a kilogram), roughly half what it was two years ago.

It took Mr. Lobsang six days to haul his slaughtered yak to Lhasa in the back of a truck. Sellers lacking a truck ride a yak to market before killing it.

Tibetans often use yak hair for clothing and carpets; make shoes, coats and boats out of the skin, and fashion decorations and utensils out of the horns. The dung is dried for fuel.

Chinese officials say there are 1.5 million yaks in Tibet, up 150 percent from 1959, when Beijing assumed full control over the region. But statistics are questionable in an area as inaccessible as Tibet, where 95 percent of the population are herdsmen and farmers.

BRIEFLY

Gunmen Attack Shiites in Pakistan

ISLAMABAD, Pakistan — Gunmen riding motorcycles opened fire on Shiite Muslim worshippers as they knelt in prayer at a mosque in eastern Pakistan on Monday, killing 16 people and wounding at least 25, half critically.

There was no immediate claim of responsibility for the attack, but the police said they feared it was part of the ongoing violence between the rival Shiite and Sunni Muslim sects that has killed hundreds of people in Pakistan, mostly in Punjab Province.

The attack Monday in the village of Quereshi More, 290 kilometers (180 miles) south of the eastern Punjab provincial capital of Lahore, occurred as 100 Shiite worshippers were finishing morning prayers that marked the beginning of their day-long Ramadan fast.

The attack occurred one day after an unsuccessful assassination attempt against Prime Minister Nawaz Sharif at a bridge near his private residence in a town outside Lahore. That blast killed four people and ripped apart a bridge that Mr. Sharif was intending to cross. The police blamed the ethnic Muttahida Qaumi Movement for the attack. There was no evidence that the killings Monday were connected.

Seoul Backs Kim On North Korea

SEOUL — South Korea said Monday that it would stick by President Kim Dae Jung's "sunshine policy" of attempted reconciliation with North Korea.

"South Korea will continue to remain vigilant and, at the same time, maintain cooperation with North Korea in 1999," the National Security Council said.

Yonhap, South Korea's semi-official press agency, quoted Mr. Kim as saying he would try to get Seoul and Pyongyang to resume dialogue. (Reuters)

In Partisan Burma, Independence Fetes

RANGOON — Burma's military government and the opposition held separate rallies Monday to mark the 51st anniversary of the country's independence from British colonial rule. They also attacked each other's political agendas.

Prime Minister General Than Shwe said at a pro-government rally that the opposition National League for Democracy party faced the wrath of Burma's people for attempting to disrupt national objectives. (Reuters)

Singapore Politician, in Court for Giving Speech, Is Unbowed

Reuters

SINGAPORE — An opposition politician pleaded not guilty Monday to a charge of making a speech without a permit.

Chee Soon Juan, leader of the small Singapore Democratic Party, said he would not refrain from giving speeches because he needed to "bypass the state media" and "find a different way to communicate with the people."

Mr. Chee appeared in court to be charged for giving the speech last Tuesday.

The police said he had refused to accept a written warning against making the speech without a permit and ignored an oral warning not to proceed.

"I cannot be guilty of something that the constitution of my country guarantees," he told the court when

asked to enter a plea. Freedom of speech is protected by the constitution of Singapore.

Mr. Chee's case will go to trial next week.

The charge carries a maximum penalty of a fine of up to Singapore \$5,000 (\$3,000).

He plans to give another public speech Tuesday in the heart of the business district.

سكنا من الامم

EUROPE

Bonn Opposition Split Over Citizenship Bill

Conservative Drive to Stop It Draws Fire

Compiled by Our Staff From Dispatches

BONN — German opposition parties clashed Monday over plans to begin a petition drive against the center-left government's proposal to allow dual citizenship.

The initiative was announced over the weekend by the conservative Christian Democratic Union, its Bavarian ally, the Christian Social Union, signed on as well.

But their former coalition partner, the Free Democrats, attacked their plans Monday. The party general secretary, Guido Westerwelle, accused the conservatives of trying to make "immigration policies from the gut."

"We need an immigration policy from the head," he said.

When they were part of the previous coalition government of Chancellor Helmut Kohl, the Free Democrats repeatedly tried to revamp Germany's blood-based citizenship laws but were stymied by their more-conservative partners.

Opponents of dual citizenship argue it would give special privileges to foreigners and lead to potentially dangerous double loyalties.

Wolfgang Schauble, chairman of

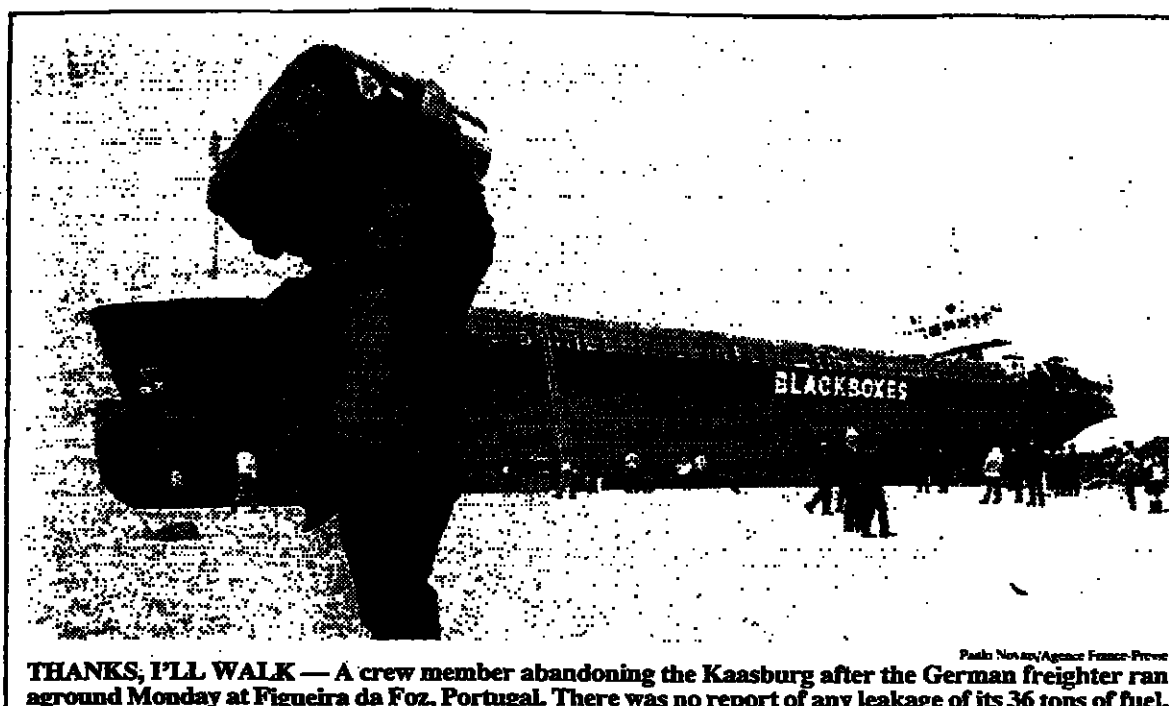
the Christian Democrats, said at a news conference in Bonn that the petition drive was not motivated by anti-foreigner sentiment, but by a desire to control immigration and promote the integration of foreigners already in Germany.

"The regular acceptance of double citizenship is poison for integration as well as for inner peace," Mr. Schauble said. He said the petition drive would start at a leadership meeting of the Christian Democrats and the Christian Social Union on Jan. 24.

Mr. Schauble said proposals to let foreigners apply for German citizenship while retaining their own nationality could provoke resentment toward foreigners among the wider population.

"We shall use all means necessary to mobilize public resistance against this," Mr. Schauble said. "The consequences could be horrific."

Chancellor Gerhard Schröder's center-left coalition accused the conservative parties of riding an anti-immigrant ticket before an election in February in Hesse, a key state controlled by a Social Democratic-led coalition.



THANKS, I'LL WALK — A crew member abandoning the Kaasburg after the German freighter ran aground Monday at Figueira da Foz, Portugal. There was no report of any leakage of its 36 tons of fuel.

"It's all about mobilizing prejudices," said the Social Democratic Party's manager, Ottmar Schreier.

More than 7 million people living in Germany are deemed foreigners under the citizenship laws, which pre-date World War I and are based heavily on blood lineage.

Unlike many of its neighbors, Germany does not grant dual citizenship widely. The Christian Democrats blocked all attempts to change the laws

during their 16 years in power, ended by its defeat in the September election.

The law proposed by Mr. Schröder would grant automatic citizenship to third-generation foreigners born in Germany and allow foreigners who have lived in Germany for eight years to apply for naturalization.

The proposals have been well-received by immigrants and their children, who say they face exclusion from

German society despite having spent most or all of their lives in the country. The conservatives say a relaxation of the citizenship laws would aid foreign crime gangs operating in Germany.

Edmund Stoiber, the Christian Social Union premier of Bavaria, said this weekend the proposals would pose a greater threat to security than the Red Army Faction guerrilla group, which carried out assassinations in Germany in the 1970s and 1980s. (AP, Reuters)

Ulster Bombers 'Known' to Police

The Associated Press

BELFAST — The detective leading the investigation into Northern Ireland's worst terrorist attack says he has identified key members of the IRA dissident group responsible, but has not yet gathered enough evidence to "put them away," a British newspaper reported Monday.

Chief Superintendent Eric Anderson and more than a dozen detectives have been working for five months to capture the renegade Irish Republican Army members behind the Aug. 15 car-bombing in Omagh that killed 29 people and wounded 370.

In an interview published Monday in The Times of London, Mr. Anderson is quoted as saying his detectives knew the identities and residences of a half-dozen members of the IRA group and were "trying to work out their actual roles" in planning and executing the attack.

"The problem is producing a case that convinces them," he said. "It's one thing to know who did it, and another to produce evidence to put them away."

Following the incident, the British and Irish parliaments approved legislation making it easier for the police to arrest suspected terrorists and hold them without bail.

The IRA dissidents, who call themselves the Real IRA, oppose the July 1997 cease-fire being observed by the parent organization. The dissidents called their own truce in response to widespread public horror over the Omagh attack.

Despite more than 60 arrests of suspects in both Northern Ireland and the Irish Republic, no one has been charged in connection with the attack.

BRIEFLY

Party Disowns Idea Of Scottish Missiles

LONDON — The Scottish National Party denied Monday that one of its spokesmen had advocated arming an independent Scotland with ballistic missiles.

Alex Salmond, leader of the pro-independence party, said that an article by the party's deputy defense spokesman, Stuart Crawford, raising the possibility, had been an academic exercise unrelated to party policy.

He suggested that the British Labour Party was seeking to manufacture an issue to help Labour in elections for a Scottish Parliament.

The article, published last year, suggested that ballistic missiles with chemical or biological warheads could provide an affordable strategic deterrent.

"This paper was written by a serving military officer under a pseudonym — as is common in these situations — for Glasgow University," Mr. Salmond said, adding: "It doesn't advocate anything. It just sets out a range of options."

Senior French Aide Is Back After Coma

PARIS — His recovery complete, the French interior minister, Jean-Pierre Chevènement, returned to work on Monday, four months after falling into a life-threatening coma during surgery.

Government ministers, including Prime Minister Lionel Jospin, welcomed him back at a breakfast at the Interior Ministry.

"I'm as well as I possibly could be," said Mr. Chevènement, 59. "I can tell you that my red cells have made it to the meeting I set for them." His heart stopped for nearly an hour on Sept. 2 after he suffered an allergic reaction to curare, a muscle relaxant, just before gall bladder surgery. He spent eight days in a coma.

Bucharest Rejects Miners' Ultimatum

BUCHAREST — The Romanian government on Monday rejected an ultimatum by miners, thousands of whom began an all-out strike in the western Jiu Valley, over the planned closure of uneconomic pits.

The leader of the miners' union, Mircea Cosma, had given Prime Minister Radu Vasile until Tuesday to come to the area to discuss demands including pay raises and the write-off of debts of the local mining company.

The government said it would not reward a "policy of force." About 2,500 miners marched in Petroșani, the area's main town, shouting anti-government slogans. No incidents were reported.

Danish Memorial Attacks Abortion

COPENHAGEN — Anti-abortionists unveiled a granite stone Monday with an inscription honoring "the more than 500,000 Danish citizens whose lives have been stolen" since abortion was made legal in Denmark more than 25 years ago.

The making of the memorial in Vedstoe, 220 kilometers west of Copenhagen, was headed by the Reverend Oris Vilckjeer, who leads a group that intends to open a park commemorating aborted fetuses.

The park is expected to be placed near the gate.

2 Cypriot Ministers Quit to Protest Missile Plans

NICOSIA — Two Cypriot ministers resigned Monday after their party quit the governing coalition over the scrapping of plans to deploy anti-aircraft missiles on the island.

Defense Minister Yiannakis Omirou and Education Minister Lycomoros Kappas submitted their resignations to President Glavkos Klerides. Government sources said their successors would probably be named and sworn in Tuesday.

The socialist EDEK party withdrew from the coalition on the Greek side of the divided island Saturday after Mr. Klerides canceled plans to deploy the Russian missiles. Turkey had vowed to prevent them from arriving, militarily if necessary.

Mr. Omirou, deputy chairman of his party, had harsh words for Mr. Klerides's change of heart, which was made after consultations in Athens. The missiles are scheduled now to be deployed on the Greek island of Crete — a decision that was praised abroad but condemned by opposition parties.

"There was severe injury to the sovereign rights of Cyprus," he said. "It was a national

humiliation."

Barring delivery of the S-300 anti-aircraft system, Mr. Klerides cited assurances from the international community that it would do more to promote a settlement to the Cyprus problem.

The eastern Mediterranean island has been divided since Turkey invaded its northern third in 1974 after a coup by Greek-Cypriot extremists that was engineered by the military officers then ruling Greece. A Turkish-Cypriot state in northern Cyprus is recognized only by Ankara.

Greece was alarmed at the prospect that the arrival of the rockets could ruin Cyprus's chances of joining the European Union. Cyprus started membership talks with the 15-member bloc last spring.

Western countries feared that the delivery of the missiles would add to tension on the island and between Greece and Turkey, which are NATO allies.

The \$500 million missile contract, which was signed two years ago, had been popular among Greek-Cypriots and it is widely believed that Mr. Klerides was re-elected president in Feb-

ruary on promises that he could bring the rockets sooner than any other candidate.

Aides said that the decision had been painful for Mr. Klerides.

"Setting aside the emotional disappointment, we believe the majority of the people see this decision was the correct one under the circumstances," said a government spokesman, Christos Stylianides.

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Bonn Denies Any Falloff In Support for Wider EU

Agence France Presse

VIENNA — The German foreign minister, Joschka Fischer, denied Monday that his government was less keen on enlargement of the European Union than its predecessor, and he said that a target date for the first new members to join could be set this year.

Mr. Fischer, whose country took over the EU presidency from Austria on Jan. 1, said, however, that the Union must put its own finances in order before going ahead with eastward expansion.

"Germany was and remains a supporter of the interests of the candidate countries," he said after talks with the Austrian foreign minister, Wolfgang Schuessel.

But, Mr. Fischer said, "our attempt to reach a successful conclusion on Agenda 2000 is the necessary step for enlargement." He was referring to the Union's plans for financial and institutional reform.

Chancellor Gerhard Schröder of Germany, a Social Democrat who took over from Helmut Kohl, a Christian Democrat, after winning elections in September, has fueled widespread concern over a slowdown in EU enlargement.

He has cautioned that EU enlargement may be more complicated and more difficult than many expected, amid the debate over the EU's finances.

"If during the German presidency we

do not manage to put the financial questions in order for possible enlargement, then the date of the enlargement will be put back," he was quoted as saying Monday by the German magazine Der Spiegel.

The president of Austria, Thomas Klestil said in an interview Monday with the Austrian news agency APA it was "regrettable that the German EU presidency does not attach the same importance to enlargement as the Austrian presidency."

Mr. Fischer declined to comment on Mr. Klestil's remarks. "It would be impolite and would not befit a guest," he said.

Candidate countries — six of which began formal membership negotiations in November — have become increasingly exasperated at the refusal of the Union to specify a date for them to join. Estimates vary from 2002 to 2010. Poland and Hungary are seen as front-runners among the six, which also include Cyprus, the Czech Republic, Estonia and Slovenia.

Mr. Fischer described the debate about target dates as "abstract" but said it could become more concrete once agreement had been reached on the direction of the Union's internal reform.

"They can become meaningful when the enlargement process has reached a certain level," he said. "Perhaps the end of this year or next year."

Pontiff Will Visit Homeland In June for a 20-City Tour

The Associated Press

WARSAW — Making his longest and most ambitious trip home, Pope John Paul II will visit 20 Polish cities in June, government and church officials said Monday.

The visit, 20 years after the Pope's first Polish trip, will have an important religious dimension, but also will refer to history and everyday issues, according to the archbishop of Gdansk, Tadeusz Goculowski, who announced the official program.

The trip, scheduled from June 5 to 17, is to include a visit to Parliament, where the Pope will address the National Assembly and meet Poland's leaders, as a sign of "respect for the structures of the democratic state," according to the Reverend Andrzej Koprowski, one of the organizers of the trip.

It will begin in the Baltic port Gdansk, where Solidarity, the labor movement that toppled the Communist regime, was born. Krakow, where Karol Wojtyla served as bishop in the 1960s and 1970s before he was elected Pope in 1978, will be the last leg of the tour.

During the trip, his eighth to Poland, the Pope is to beatify more than 100 Poles killed under Nazi occupation.

At the Umschlagplatz monument in Warsaw, John Paul will pay tribute to victims of the Nazi Holocaust. He also plans to commemorate victims of Communist repression by stopping at the monument to Poles deported to former Soviet gulags in Siberia.

Estimated to cost up to 25 million zlotys (\$7 million), the trip will be an occasion for the Pope to prepare his compatriots for the "jubilee of the year 2000," Archbishop Goculowski said.

In the central city of Lichen, the Pope will bless Poland's largest church, still under construction. In the northeastern city of Elk, he plans to greet ethnic Lithuanians in their language.

The Pope is also to travel to his birthplace, Wadowice; the northern cities of Elblag, Pelplin, Bydgoszcz and Torun; the eastern cities of Siedlce and Drohiczyn, Zamosc, and Sandomierz in the southeast. He is also to visit the Warsaw suburb of Radzymin, the central city of Lowicz, and Stary Sacz in the south.

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Push Peace in Sudan

In the year just ended, the famine in southern Sudan rates as one of the most underreported stories in the U.S. media, according to Doctors Without Borders. What is even sadder is to find Sudan on another list: World Vision's prediction of 10 hot spots for next year. Most frustrating of all is that the humanitarian crisis in Sudan is preventable. It is a product of a long-running and brutal civil war, not of natural causes. A ceasefire has offered a brief reprieve, but unless it is extended geographically and beyond its Jan. 15 expiration date, catastrophe is almost guaranteed.

Sudan's government in Khartoum is authoritarian, intolerant of dissent and a sponsor of terrorism, according to the U.S. State Department. The government represents the largely Muslim population of the north; it has for more than a decade been fighting a civil war against the largely Christian population of the south. Many southern Christians have been kidnapped into slavery.

Because the United States has tended to portray Khartoum as its enemy, most recently with a missile attack against a

pharmaceutical factory there, some warlords in the south may be encouraged to believe that they have support to wage all-out war. But knowledgeable relief agencies argue that all-out victory is not possible for either side, and that all sides are guilty of human rights violations. To prevent further famine, what is most needed is peace. Already, war-induced famines have claimed some 2 million Sudanese lives.

Last year these agencies mounted the biggest air relief operation since Berlin. If the fighting stopped, they could operate by road far more cheaply; for the cost of one week's airlift, all the roads and bridges destroyed in the south could be rebuilt. More to the point, if fighting stops, people can go home and tend to their farms instead of depending on outside help. Such a ceasefire will come only with a concerted diplomatic push from the United Nations, the United States and others. Now is the time to ensure that Sudan does not show up on next year's list of unmitigated disasters.

—THE WASHINGTON POST.

Secrets Leaked to China

The House select committee investigating U.S. technology transfers to China has wrapped up its work. Its final report, unanimously approved by the five Republicans and four Democrats assigned to the panel, remains classified. But apparently it has concluded that the Chinese government has been engaged in a concerted, long-term and successful effort to obtain sensitive American technologies.

The committee found, as Christopher Cox, Republican of California, told a press conference, that efforts by the Chinese to acquire American technology go far beyond the disclosures to the Chinese by the Hughes Electronics Corp. and Loral Space and Communications that gave rise to the House investigation. Mr. Cox announced that the committee had determined that "national security harm did occur" as a result of these transfers. But, Mr. Cox also said, the problem "goes beyond" missiles and satellites, and includes military technology — and the technology acquisition efforts of [China] have been targeted at the United States for a period of at least two decades, undoubtedly longer. The committee's report includes 38 recommendations for legislative and administrative changes.

Until an unclassified summary is

released, it is impossible to know just how big a problem this acquisition effort is. Similarly, it is hard to know whether the problem has grown worse during the Clinton administration as a result of, among other things, campaign contributions to the Democratic Party by Loral's president and efforts to funnel money to Democratic fundraisers by a Chinese aerospace executive with close ties to that country's military hierarchy.

That the committee has found the acquisition effort to cover 20 years suggests that the problem predates the Democratic campaign finance scandal. Moreover, the bipartisan nature of the report indicates that the report is probably not merely an effort to score political points against the administration — as other House investigations of campaign finance have proved to be. Because of the seriousness of the subject and the apparent conclusions of the committee, an unclassified summary with as much detail as possible should be prepared and released swiftly. Mr. Cox promised as much on Wednesday, saying he was submitting the report for declassification review "immediately." The administration should expedite this process.

—THE WASHINGTON POST.

Are the Tools in Charge?

Amusing as it is simply to sit back and watch the calendar of the Western world flip over, it is reasonable to expect that 1999, prologue to a new millennium, will yield some themes that ask for real reflection. Here is one. In the blizzard of commentary already blowing in, it is becoming apparent that we are nearly blinded by technology. Trying to gauge the meaning of a new millennium, we almost instinctively do so by marveling at the rate of technological change which we cannot help believing will only increase. It seems like the most salient feature of human culture during the last 200 years.

But the rate at which technology has been changing probably masks the underlying stability of human nature.

The rate of change in our world is simply dizzying, and it is only natural to wonder whether humans who live in 1999 are different somehow, given the explosion of technological innovation in their lifetime, than humans who lived 1,000 years ago. Material conditions in the richest societies are certainly different now than they were in the richest societies in the year 1000, and they are more different from 1000 than 1000 was from the year 1. The way we explain human nature is radically different, too, thanks mostly to Darwin.

Yet there is no evidence that human nature has altered in that time or, indeed, since human history began. Life has always been as complex as it could possibly be. Humans have always admired their own adaptability and lamented the peculiar complications of the times they live in. There is no burying the past because the past, to the extent that it was determined by the raw potential of human nature, is reborn in every generation.

We are caught, in a sense, between two kinds of evolution. Biological evolution works on a nearly geological time scale, which suggests that human

nature, as a partial product of our genes, is basically constant. Cultural evolution works with shocking swiftness, and so we assume that it is mainly a propulsive, liberating, even revolutionary force. But human culture has always usefully constrained human behavior as well as expressed it. No human society has ever tolerated the entire range of instinctive, "natural" human behavior. That selective intolerance is among the things we mean by civilization.

This is one of the fundamental tensions we will carry into the new millennium. For most of history, humans have shaped civilizations commensurate with the level of their material technology. In some cases, like ancient Athens, the former far outstripped the latter. Starting now, technologies will inevitably proliferate in the years to come. We need to remember that the measure of a civilization is not the tools it owns but the use it makes of them.

—THE NEW YORK TIMES.

Other Comment

The Real Olympic Culprits

Now that the U.S. Justice Department has joined the hunt, the awarding of the 2002 Winter Games to Salt Lake City is likely to be the most investigated action in modern Olympic history. The problem here is that, barring more revelations, Salt Lake City is the victim, not the villain. What needs to be investigated is the IOC itself.

Site selection ought to be moved from the full committee and delegated to a smaller expert body such as the executive committee. The IOC will not leap to strip its members of power and prestige. Pressure must come from the outside.

—Los Angeles Times.

The Pentagon Seems Stuck in a Rut in East Asia

By Robert A. Manning

WASHINGTON — The U.S. Defense Department has released another East Asian Strategy Report, its fourth in this decade, which has been well received by U.S. allies in the region for its reassurance of a continued American security commitment. But what kind of commitment?

This report signals a case of bureaucratic inertia. It fails to provide any real hint as to how the United States might adjust to change in the region.

The Pentagon's failure is thrown into sharp relief when put against the latest public thinking of China's State Council. In a Defense White Paper last July, Beijing revealed a vision of Asia's future security framework that is fundamentally incompatible with that of the United States and its allies.

The U.S. network of bilateral alliances remains the de facto security framework in a region in which all powers are hedging against uncertainty. Reflecting this, the Pentagon report reaffirms the U.S. commitment to maintain about 100,000 troops in Asia "for the foreseeable future."

But technology is changing the ways in which force can be projected. It is net military capability, not numbers of bodies, that underpins American credible deterrence. If new technologies make it possible to do more with fewer personnel, the United States

could be open to charges of reducing its commitment.

The Pentagon would have been well advised to avoid pretentious rhetoric about "comprehensive engagement" and "presence-plus." Conceding its claims in such hollow language, it casts everything from U.S. investment in Asia to American tourist traffic as part of U.S. "engagement."

In the real world, engagement is a fancy word for diplomacy. It is not a policy or a strategy, merely a process. For all Washington's current enthusiasm for "security dialogues," one should not confuse glorified cocktail parties with security architecture. Dialogues are fine, but they do not add up to a network of overlapping and interlocking institutions that are "an important and permanent feature of the regional security structure," as the Pentagon claims.

If all multilateral discussions disappeared and only bilateral alliances and security relationships remained, would Asia be any less secure? Japan need look no further than Jiang Zemin's recent visit to Tokyo, or North Korea's missile test this past fall, to see that it lives in a dangerous neighborhood. Credible deterrence

provided by Washington's alliances with Tokyo and Seoul remains Japan's best insurance against aggression and would-be hegemony.

In its white paper, Beijing offers the opposite view. U.S. alliances are not the foundation of stability, it says, but a threat to stability. "Hegemonism and power politics remain the main forces of threat to world peace and stability."

Who could Beijing be thinking of? Chinese leaders are trying with a new concept of security in what they see as an increasingly multipolar world. "Security," the white paper says, "should be based on mutual trust" and promoted through "dialogue and cooperation." This is curious, as China is one of the few countries actively building up both conventional and nuclear forces.

Beijing's white paper hints hopefully that China may eventually displace the United States as the pre-eminent power in Asia. This logic lies behind Beijing's frequent rhetorical assaults on the U.S.-Japanese alliance.

If China says alliances with the United States threaten peace stability, while the Pentagon asserts that the United States is the source of stability, how can there be a "strategic partnership"? The idea is a debasing of language to camouflage a less attractive reality — a more ambiguous relationship, with elements of both cooperation and conflict.

The most important test of China's intentions may be how it manages change on the Korean Peninsula. The same may be true for the United States. As Korean crisis builds, Beijing's intentions and U.S. "comprehensive engagement" will both be tested.

North Korea puts Beijing in a bind. China wants to defer reunification and avoid conflict, but by sustaining North Korea as Pyongyang builds its military capabilities it may increase the risk of confrontation and see its interests in Northeast Asia damaged.

Korean reunification is likely to force Washington to rethink its posture in East Asia in the coming years. The rationale for U.S. troops in Korea will become problematic. And if the Pentagon withdraws troops from South Korea, it will generate a renewed debate about U.S. force levels in Asia.

It would have been more reassuring if the Pentagon's strategy report included some suggestion as to how Washington plans to adapt to such change.

The writer, a former U.S. State Department adviser for policy, is a senior fellow and director of Asian studies at the Council on Foreign Relations. He contributed this comment to the International Herald Tribune.

Suppose Russia, India and China Could Really Get Together

By Sumanda K. Datta-Ray

SINGAPORE — Russian Prime Minister Yevgeny Primakov's idea for a strategic triangle linking his country with India and China, far-fetched though it may sound, deserves serious consideration, even though it has not yet been elevated to the status of a formal proposal.

First, it holds the promise of providing a counterweight in what is becoming — witness America's almost solitary pursuit of Operation Desert Fox against Iraq — a dangerously unipolar world.

Second, it might succeed in subduing some of the region's more sizzling tensions. For example, Pakistan would have had less reason for reacting with alarm to the Indian-Soviet defense agreement signed during Mr. Primakov's recent visit to New Delhi if China, which is close to Pakistan, had been a party to that agreement.

Politicians of India's gov-

erning party, who do not seem to realize that their spurs of anti-Chinese rhetoric sound suspiciously like an admission of weakness or an attempt to whip up national hysteria, would also seem to be more circumspect.

The global advantage of even a loose Moscow-New Delhi-Beijing axis would be to offer prisoners of the unipolar system another option. It might encourage the emergence of other poles, in the Middle East or Latin America, and prompt Europe to take a more independent line. Only a multipolar world can inject some authority into a sadly marginalized United Nations, so that future policing actions enjoy consensual support.

Of course, the Primakov plan flies in the face of conventional wisdom, which argues in favor of an alliance between Japan and India, Asia's two major de-

mocracies, both more than a little wary of China. It also carries a hint of ganging up on the United States.

But Japan is unlikely to be drawn into any Asian strategic arrangement. And Russia, China and India are all in far too great a need of American capital, markets and influence to adopt an adversarial posture.

India knows, too, that the United States alone can restrain neighbors who compound, if not create, many of its security headaches, external as well as internal.

The most that a trans-Himalayan partnership would do, therefore, would be to compete with America without challenging it. By reducing tension in a fragile part of the globe, it would lessen America's policing worries, which is additional reason why Washington should welcome the idea.

In one form or another, the idea has been around for many years. Prime Minister Jawaharlal Nehru hosted the first Asian Relations Conference with great éclat in 1947, hoping that it would lead to tangible forms of cooperation. But Nehru's vision was not always able to bridge the gulf between philosophy and politics, and the governments represented at the conference failed to live up to their commitments.

Now that the Cold War is over, the Soviet empire buried and President Boris Yeltsin's Russia bound in a strategic partnership with President Jiang Zemin's China, the time may have come to return to earlier thinking.

Beijing's response that although it "pursues an independent foreign policy of peace" it "is ready to develop diplomatic relations with all countries in the world" does not altogether rule out the Primakov plan. The enigmatic

wording is probably shorthand for "Wait and see how the United States responds to human rights and political dissidence in China and to the Taiwan question, how the Japanese interpret their upgraded military ties with the Americans (especially after Tokyo's unambiguous support for Desert Fox) and how India shapes up as a nuclear power."

If both China and India adjust for the future, they will discover that their common response to the U.S.-led strikes against Iraq indicated a shared Asian psychology. Like Russia, they are also interested in Central Asia's vast oil reserves, in Middle East peace, and in a stable Afghanistan not given over to religious extremism.

The writer, a former editor of The Statesman in India, is an editorial consultant with The Straits Times in Singapore. He contributed this comment to the International Herald Tribune.

Netanyahu May Have Been Just the Man Israel Needed

By Abraham Rabinovich

JERUSALEM — A good word on behalf of Benjamin Netanyahu? It would be hard to find one in the Israeli press. No Israeli leader has been so reviled by so many of his countrymen. History, however, may prove somewhat more charitable.

In applying parts of the Oslo accords, however partially, reluctantly, gracelessly, he has made the more moderate half of the Israeli right wing accessory to the peace process. In so doing, he has moved the nation a good way through an ideological minefield and exposed a latent peace consensus embracing two-thirds of Israel's population.

Seemingly against his own instincts, he has made a future settlement with the Palestinians a matter of pragmatic give and

take rather than a hostage to hopeless theological-historical disputes over holy land.

Many have required an oddity like Mr. Netanyahu to achieve this inconsequential step.

When a Labor government carried out the first Oslo stages, the country was torn by violent demonstrations culminating in the assassination of Prime Minister Yitzhak Rabin. Mr. Netanyahu's concessions have evoked little more on the right than parliamentary maneuvers.

Mr. Netanyahu had initially opposed the Oslo peace accords. During his election campaign he changed his tack after polls showed that most Israelis felt otherwise.

His narrow election victory was wrought by an alliance of right-wing ideologues and a more moderate, largely ethnic sector of Sephardi Jews opposed to the Labor Party, which they associate with the Ashkenazi elite of European origin. But they do not oppose the peace process. They distrust Arabs but, unlike the ideologues, accept Oslo's land-for-peace formula.

Mr. Netanyahu achieved election success by fudging his rhetoric so that ethnic supporters saw him as a tough peacekeeper who would drive a hard bargain, while the hard-liners, catching his wink, were convinced that he had no intention of withdrawing

on the West Bank, whatever he said publicly.

His heavy-handed maneuvering during the past two years went beyond the bounds of clever tactics into inscrutability. Declarations of intent to honor Israel's Oslo commitments mixed with acts of provocation seemingly designed to derail the peace process have left even political allies wondering who the real Netanyahu is. He has often seemed uncertain himself.

In any case, his withdrawal in Hebron and his implementation of the first of three withdrawals from West Bank rural areas constituted a crossing of the Rubicon for the right wing. The shining image of a Greater Israel stretching from the Mediterranean to the Jordan was being violated, not by the left this time but by themselves.

Mr. Netanyahu's claim that he is the only candidate who can implement a peace acceptable to the nation is not altogether exaggerated. Labor had the vision and courage to make the peace breakthrough at Oslo, but Israel's national fiber was almost smothered in the process. Mr. Netanyahu's aggressive rhetoric and posturing enable him to make territorial concessions without being accused of selling out by the moderate part of his right-wing constituency.

The hard-liners continue to oppose Oslo, but Mr. Netanyahu's betrayal, as they call it,

seems to have taken the fire out of them. It has exposed them in their unyielding ideology without the protective wrappings of the broader right wing.

Mr. Netanyahu was positioned to significantly push the peace process forward, but his undoing was his own personality. To say that no one in the country, particularly his own ministers, believes a word he says may be overstatement, but not by much.

He has thrived on attack politics, instilling a pervasive nastiness into public affairs. Instead of building trust with the Palestinians as peace partners, his attitude has been imperious and demeaning. Instead of trying to heal Israel's internal rifts he is politically vulgar and divisive. His chutzpah is boundless and without charm. His swagger and perpetually smug expression reflect an almost adolescent need to be perceived as a winner. "I'm no sucker," is one of his favorite phrases.

History chooses its own instruments. Perhaps a transparent manipulator was what Israel needed to persuade a critical portion of the population to swallow territorial concessions. Without a character transplant, however, Mr. Netanyahu's task would seem to be finished.

The writer, a Jerusalem-based journalist, contributed this comment to the International Herald Tribune.

Rethink Relations With China

By William Safire

WASHINGTON — A couple of Shanghai prostitutes let themselves into a hotel room occupied by a man who had discussed human rights in a local tea house. With a quick couple of zips, the girls stood naked. Moments later, police entered the room and arrested the dissident for patronizing prostitutes.

This old entrapment-and-blackmail dodge run by the frightened men ruling China is their crude way of trying to discredit the tiny group that wants to start a labor union and perhaps a non-Communist political party.

Why this transparent subterfuge? Because the nationwide crackdown on dissidents, begun as President Bill Clinton visited China and hailed President Jiang Zemin as his partner, is not playing well in the world press and may not be going down well inside China.

The logical reason for the iron fist is instability in the Forbidden City at the prospect of economic hard times. A generation anesthetized by rising prosperity is growing restive at slower growth. In the vast countryside, we have reports that farmers are grumbling, unable to market bumper crops; in the jammed cities, an army of the underemployed points a threat of unrest.

The Communist leadership knows that the Soviet breakup began with Solidarity in Poland, and the stress on the state-

stagnated Soviet system from Ronald Reagan's arms race.

The ensuing dissatisfaction of workers and farmers was ignited by a cadre of underestimating dissidents. Fear of that scenario explains the desperate need of Mr. Jiang to squelch every peep of opposition.

Americans are beginning to discover how brazenly the sclerotic Chinese regime has stolen U.S. missile technology, and how it played on the naïveté and financial need of American politicians to influence U.S. trade policies.

Last week the bipartisan Cox committee revealed the tip of the iceberg of espionage penetration. Stimulated by a Jeff Gerth article in The New York Times, it began investigating China's illegal acquisition of all sorts of national security secrets.

If the White House allows enough of the 700-page report to be declassified, it will show that the worst hemorrhage of secrets took place in recent years. That is mainly because Mr. Clinton flip-flopped on trade with China. Restrictions came off. America now pumps \$60 billion a year into the regime.

Worse, Mr. Clinton steered the regulation of technology transfer to the complaisant Commerce Department.

Which brings us to Lieutenant Colonel Liu Chaoying,

a Chinese intelligence agent, daughter of a top general, who channeled money through Asian-American fronts to the Clinton-Gore and other campaigns. Where stands the prosecution of the "China connection"? Becalmed.

Bill Clinton must be happy to have this case in the hands of his Democratic appointee, Paul Friedman. This judge has further crippled the lame Justice investigation by throwing out most of the counts against Maria Hsia, Charlie Trie and Pauline Kanchanalak. Under his curious reading of election law, Saddam Hussein and the KGB would be free to contribute millions to the Democratic National Committee so long as it is "soft money."

Here is the box score: one serious investigation of Chinese penetration suppressed because it is secret, the other stymied because of incompetence and misjudgment.

In the light of (1) China's desperate duplicity on human rights, (2) the 38 secret recommendations by the House to stem the flow of secrets to China and then to Iran and North Korea, and (3) the botched and scotched investigation into the change of trade policy amid heavy contributions — isn't it time to rethink the "partnership"?

Forget "Who lost China?" Consider "Who Shattered America?"

The New York Times.

Herald Tribune

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U.S. Advertising Office: 43 Long Acre, London WC2E 9LT. Tel: (44) 171-836-4302. Fax: (44) 171-240-2254.
S.A.S. on capital of 1,200,000 F. RCS Nanterre B 730211726. Commission Paritaire No. 61337.
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OPINION/LETTERS

While Clinton Flounders,
The U.S. Moves Along

By George E. Will

WASHINGTON — Contemporary American politics has three peculiarities. The strongest passions — Republican hatred of Bill Clinton, Democratic loyalty to him — are incongruous, given the nature of Mr. Clinton.

Second, political ferocity increases as the stakes of national politics shrink.

And as saturation journalism drenches the public with news from Washington, Americans participate less and less in the passions swirling around the national government.

Disgust with Mr. Clinton is by now nearly coextensive with the truly adult population, and is intense in the Democrats' congressional cloakrooms, where members of the world's oldest political party resent the degradation of it, and them. However, hatred of Mr. Clinton is strange. Large passions should be called forth by largeness, and Mr. Clinton is defined by littleness.

He is the least consequential president since Coolidge, who was of small consequence as a matter of political conviction — hence he was, in his way, large. Mr. Clinton had one large purpose, health care reform, but he entrusted it to his wife, who botched it.

There have been only two large events involving the national government in the Clinton years: The economy balanced the budget, and Republicans forced welfare reform on a reluctant Mr. Clinton.

Yet the United States, rather impudently, thrives. In 1997 violent crime declined 7 percent, to its lowest level in 24 years, partly

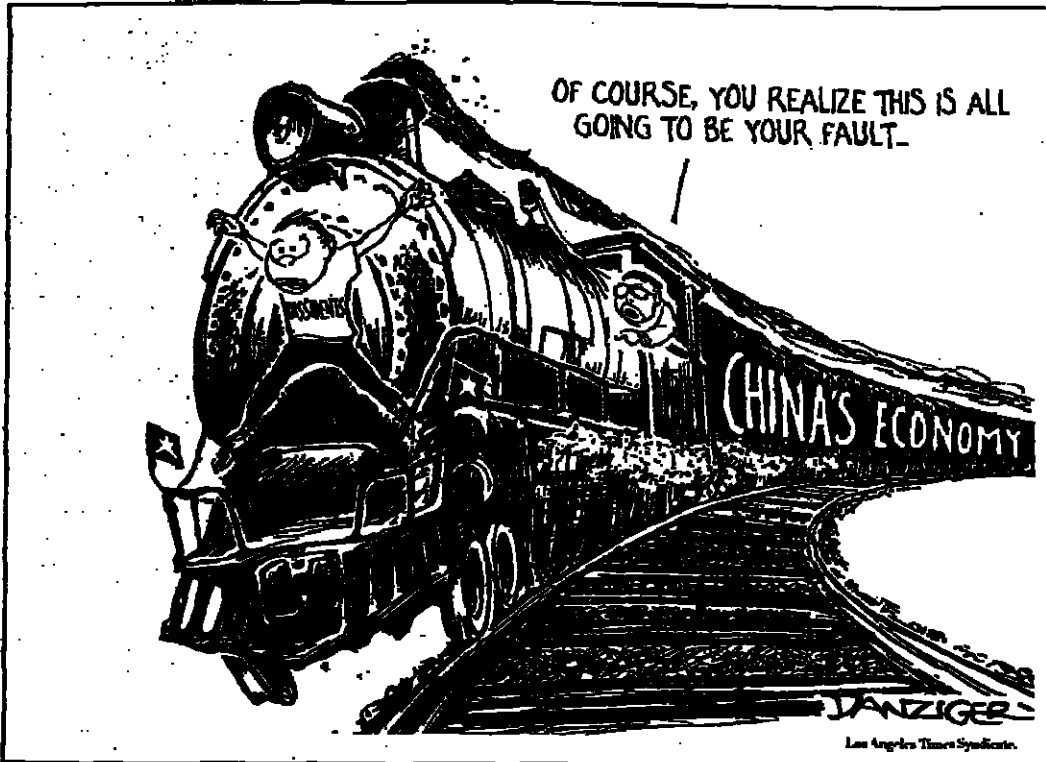
because the prison population has more than doubled in a decade. In New York, homicides are one-third the 1990 level, and below the 1964 level.

The American Enterprise magazine reports: The number of welfare recipients is declining, as are illegitimacy, teenage sexual activity (after two decades of increases), births to teenagers (down 12 percent since 1991), and abortions. The percentage of Americans saying abortion should be "legal under any circumstances" has fallen from 34 to 22 since 1990.

Church attendance is rising (35 percent of teenagers attend church at least once a week, up from 47 percent in 1975). By 78 percent to 15, Americans endorse "encouraging a belief in God" over "encouraging a modern scientific outlook." Since the late 1970s the percentage of Americans saying that religion is "very important" in their lives has increased from 52 to 61.

By 66 percent to 28, more Americans worry about the nation becoming "too tolerant of behaviors that are bad for society" than about it becoming "too intolerant of behaviors that don't do any real harm to society." Beginning in the early 1980s — during the "decade of greed" — there has been a sharp increase (adjusted for inflation and population growth) in charitable giving.

Gregg Easterbrook, writing in The New Republic, notes that health is broadly improving. This is largely because individuals are behaving more sensibly (about food, drink, tobacco, exercise, sex). In 1985, 17 percent of high



school seniors had tried cocaine; in 1996, 7 percent.

A forthcoming book by Professor Everett Carl Ladd of the University of Connecticut reports that far from becoming an atomized nation of broken social bonds, America's social fabric is being reweaved by, for example, the 59 percent of parents of school-age children who participate in their children's classrooms.

There has been a doubling, from 1977 to 1995, of the number of people volunteering for charities.

Most people are busy behaving well, are disgusted with people who are not, and are convinced that good behavior locally — in society's little platoons: families, churches, civic organizations — matters more than governmental measures. Which helps explain why people are consuming less

and less traditional journalism.

The television audience is being fragmented by cable and satellite systems, and by the siphoning off of that audience by on-line information providers. In August, cable viewership exceeded that of ABC, CBS, NBC and Fox combined. The volume of Internet traffic is doubling every 100 days as upward of 7 million households go on-line each year.

All this is sharply reducing the networks' prime-time audience (down 9 percent this season) that feeds viewers to local news programs. Those programs are also losing depoliticized viewers to comedy reruns.

National newspaper circulation fell from 63.1 million in 1984 to 56.7 million in 1997. The Boston Globe recently reported that, in November, Boston's top three

television newscasts dropped 50,000 households below their level a year earlier. (Among the top 10 media markets, Boston has the highest percentage — 79 — of cable subscribers.) The Globe and the Boston Herald's weekday circulations have declined 10 and 25 percent, respectively, in the 1990s. Boston ranks second among national media markets in regular daily newspaper reading by adults, but readership is down from 75 to 69 percent since 1994.

Americans are defining, and finding, news in new ways. Their self-empowerment from traditional sources, and from agendas set far away, reflects the decreasing relevance of the national stage, the performers on which resemble — and are going the way of — vaudevillians.

Washington Post Writers Group.

Tiger Woods's Witness
To Irrelevance of Race

By William Raspberry

WASHINGTON — American children with one black parent, no matter the race of the other parent, have been taught to think of themselves as black.

This lesson in nomenclature has come, of course, from white

MEANWHILE

people, who long ago made the point that any known black ancestry was enough to make you black. Quadroons and octoroons may have been three-quarters or seven-eighths white biologically, but in the odd calculus of race, they were as black as the purest son of Africa.

If whites started the notion that a drop of black rendered you black, blacks have bought it with an alacrity that would shame the staunchest defender of white purity. For different reasons, of course.

Why try to "pass" and risk rejection, derision and worse (from whites) when you are found out? Why claim membership in a group that hates you and is determined to keep you out? They want to be pure? Then we'll be proudly inclusive.

And the clincher: Dear sweet child, white people will see you as black no matter if one of your parents is not. To call yourself mixed-race is to reject us who accept you and brings you not one whit closer to those who reject you. Be black and proud of it.

And dear sweet child mostly bought it.

I don't want to declare the arrival of summer on the evidence of three or four swallows, but that may be starting to change. What I am noticing — principally at Duke University, where I have been teaching for the past few years, but also elsewhere — is a new insistence by mixed-race children on acknowledging all of their heritage.

This is not about passing, or denying their blackness. It is about owning the rest of themselves. They do not want to be forced to pretend that Mom's side (and most often it is Mom's side) does not exist.

It is not easy at a fairly sophisticated place like Duke, and it may be excruciatingly difficult in less tolerant venues. You will remember the hue and cry triggered

by Tiger Woods's self-description as Cablinasian, a word he says he made up as a child to capture his Caucasian, black, Indian and Asian ancestry.

The golfer may have been trying to honor the racial streams that produced his African-American father and Thai and Chinese mother, but for many black Americans it was a term of denial. Carole Simpson, the ABC-TV news anchor, got a huge laugh when she told a Howard University commencement audience that the brown-skinned Tiger may think of himself as Cablinasian, but if he ever tries to hail a taxi on an after-dark Washington street, "he's going to find himself cabsless."

My mixed-race students might have laughed, too, but perhaps with a twinge of hurt. It is not, they say, that they want to be both white and black; it is that they are, white and black. On what basis should they decide which part of their ancestry is the relevant part? And wouldn't choosing insult the side not chosen? How is the white parent of a mixed-race child supposed to feel when the child self-identifies as "black"?

And what of the children of parents who are themselves mixed-race? And grandparents? Here it gets complicated. The overwhelming majority of slave-descended black Americans have at least some white ancestry. But that ancestry, nearly always having been bestowed without benefit of clergy, has been a source of shame for us. What fool would want to claim kinship with the slave owner who raped his great-grandmother? We ask indignantly.

The first-generation offspring of married mixed couples face a different set of questions, not of the nature of their parents' relationships with one another or their place in their parents' cosmos but of their place in America's race-obsessed society.

The number of such children will increase along with the increase in the number of interracial marriages. Who, in terms of race, will they be? Black? White? Some third group reminiscent of South Africa's now discredited classification system?

Or will they make the rest of us wonder why race is such a big deal in the first place?

Washington Post Writers Group.

LETTERS TO THE EDITOR

Geography Lesson

In his report on the tragedy in the Australian Sydney to Hobart yacht race ("Race at Sea Turns Into Struggle for Survival," Dec. 31-Jan. 1) Neil MacFarquhar refers to Tasmania as being "south of Australia."

That's a bit like saying that Hawaii is "west of the United States."

STEVEN HOWARD,
Singapore.

For a Genocide Trial

There is an absolute moral imperative for putting the main surviving architects of the Khmer Rouge genocide, notably Ieng Sary, Khieu Samphan and Nuon Chea, on trial before an international tribunal.

If an international tribunal is not appropriate for the Khmer Rouge, what could it ever be used for? The Khmer Rouge killed a greater percentage of their coun-

try's population than any other group in the 20th century. If we are prepared to chase the Bosnian Serbs, then we must chase the Khmer Rouge, who slaughtered up to 3 million people.

Hun Sen's specious arguments about burying the past are a very unfortunate turn of phrase, given Cambodia's recent history.

He claims there is a risk of a return to civil war if pardons are not granted. No, there is no risk, with only about 100 fighters left in

the jungle. This is just his domestic power play, after years of demanding such a trial.

Secondly he argues that the Khmer Rouge leadership should not be put on trial, in order to forget the past.

However, for years Cambodians have been demanding justice. I had the privilege of living in Cambodia for two years, and on one five-day passenger boat journey I met 160 families: All of them had lost at least two

family members between 1975 and 1979. That is the magnitude of the slaughter, and certainly my experience is that they demand, at the very least, a full accounting for the past.

Major aid donors, particularly the United States, France, Japan and Australia, have enormous financial and diplomatic leverage, and they should bring this to bear before it is too late.

EDWARD BAGNALL,
Hong Kong.

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INTERNATIONAL

U.S. Campuses Swing Again on the Dance Floor

By Ethan Bronner
New York Times Service

STATE COLLEGE, Pennsylvania — The e-mail messages arrived first in a trickle, then in a flood. Students at Pennsylvania State University were contacting their president, Graham Spanier, with a desperate plea in the fall semester: Create more classes in ballroom dancing.

Nearly 1,500 undergraduates were languishing on dance-class waiting lists; on Friday nights, the ballroom dance club was overwhelmed trying to teach hundreds how to cha-cha and fox trot.

After an emergency meeting in November, Mr. Spanier announced that in January, the number of ballroom dance classes at Penn State would rise to 48 from eight, increasing the number of slots to 1,440 from 240.

"We are in a society that is increasingly impersonal and there is a need for a way to meet one another, to touch without immediate sex," said Mr. Spanier, a sociologist with a scholarly interest in interpersonal relations, in explaining why he moved with such speed. "Ballroom dancing offers that."

Across the United States, at Yale and Arizona State Universities, at the University of Wisconsin and San Diego State University, partner dancing, both traditional ballroom and swing, is sweeping campuses.

Kay Teague, vice president of the youth college network of the U.S. Amateur Ballroom Dancers Association, said the rise was so sudden and so fierce that it was not yet possible to know the exact numbers.

"Put it this way," Ms. Teague said, "five years ago there were dozens of schools with hundreds of students doing ballroom dance. Today, there are hundreds of schools with thousands and thousands of dancers. In the Washington, D.C., area alone we have gone from one school, Catholic University, with 20 to 30 dancers to five schools with 2,000 dancers."

And while fads, fed by trend-setters on the two coasts and popular movies, are nothing new on campuses, scholars say that in the era of AIDS, this is a phenomenon worthy of a close look.

"We may be moving back to the medieval notion of romance, love that is unrequited," suggested Geoffrey Godbey, professor of leisure studies at Penn State. "These dances provide sensuality and imagination. But, like Web pornography or phone sex, they are safe."

It is the structured nature of the male-female relationship in ballroom dancing, the courtship rituals and prescribed steps that have drawn the attention of analysts. They also note other aspects: the strenuousness of the dances for a generation that knows the importance of exercise, and the desire by some for social graces

to serve as a divider in a country where class distinctions are blurred. Noncredit etiquette courses are also on the rise on some campuses.

Finally, college officials say, anything that competes with binge drinking, the current plague of college campuses, should be encouraged.

"I see it as a kind of continuation of kids' soccer leagues, increasingly structured social interaction," said Craig Bradley, dean of student affairs at Bowdoin College in Maine, which is also experiencing a surge in ballroom and swing dancing.

"During the first year in college it is so important to feel like you belong, have a group," Mr. Bradley said. "If it isn't happening, drinking fills that void. The conventions around dating fall away in recent decades. I have students come in and say they want intimate relations but don't know how to get there. Ballroom dancing is one answer."

The trend also seems to be a middle-class revenge against the formlessness of popular dance that began in the early 1960s when Chubby Checker's twist sent partner dancing packing. Dancing, for millennia a form of social glue, deteriorated in the 1960s into group chaos against a background of loud, pulsating rhythms and nervous two-step hugging to slower songs.

As Laura Kelso, an 18-year-old Penn State freshman, put it in describing her

interest in the new swing dance club here, "Dancing in high school was either flailing around or slow dances without steps. People need some kind of structure, some form of socialization."

In the Penn State ballroom dance classes, held in several large gymnasiums with pale green walls, exposed pipes and worn wooden floors, that is precisely what may be observed. There are no smart-alecks here, said Elizabeth Hanley, the teacher with nearly four decades of experience. Here are tomorrow's stalwarts in all forms, the smoothly decorous, the knobby-jointed and the floppy-footed, content to be addressed as "ladies and gentlemen."

"It is always good to know how to dance," said Jeffrey Ellis, a rangy 22-year-old from Pittsburgh just finishing an accounting degree. His skilled dance partner, Cara Chieffello, a 22-year-old future accountant from Pittsburgh and a natural with the tango, added, "I always like a guy who knows how to dance."

The course they are in, which fulfills their physical education requirement, is taught by Ms. Hanley and her husband, Patrick Kolivsky. Together, they say, they teach not only dance but also posture, grace and self-confidence.

"If you stand up straight like that here on the dance floor, why not hold that posture for your next job interview?" Mr. Kolivsky said.

The specifics of the course involve moves like the fox trot Westchester step, basic box, quarter turns, lady's turn, dip and two turns. Bolero break, weave and conversation pivot.

The other dances include the waltz, polka, tango and swing. The current generation of swing dance has much international influence, especially Latin American.

The international element seems especially significant on some campuses. At Ohio State University, for example, the dance club, which two years ago drew about 100 students each week and now draws about 300, is heavily Asian and Asian-American.

This is a structured, legitimate way for young people to meet, and that can be especially important for foreigners," said Robert Rodgers, the club's advisor and a professor of education and psychology.

Gail Stenford, assistant director for recreation at New York University, said ballroom and swing dance had so taken over her program that she had to cancel a rock 'n' roll dance class for lack of interest.

Ms. Stenford, too, noticed the interest among foreign students. "It's a wonderful melting pot," she said, "with different cultures bringing different techniques to the floor."

Ms. Stenford said she was struck by the contrast with the 1960s. "Safe sex has translated for many today into no sex," she said. "I'm a creature of the 1960s, the days of free love, and let me tell you, these kids are scared. But these dances can be very sensual, and they become physical with one another in a nonsexual way that is romantic, a throwback to the 1930s."

"We're going back to courtly love. We have to because of AIDS."

Gunmen Fire at Vehicle Carrying Jewish Settlers

By Deborah Sontag
New York Times Service

JERUSALEM — Gunmen opened fire Monday on a van transporting Jewish settlers in the divided city of Hebron, wounding two Israeli women as the vehicle was riddled with two dozen bullets.

Israeli Army officials suspect the gunmen were Palestinian militants, committing the first successful terrorist attack on Israelis since early November. They think the men fled from Israeli-controlled Hebron, where the attack occurred, into the Palestinian part of the city, where Israeli officers are not allowed to chase them. Defense Minister Yitzhak Mordechai ordered the borders of Hebron closed to Palestinians. He also imposed a curfew on the Palestinians living on the Israeli side, confining them to their homes, although some slipped out to throw rocks at Israeli soldiers.

Shooting rubber-encased metal bullets, the soldiers wounded two Palestinian youths, striking one 13-year-old boy in the head.

Prime Minister Benjamin Netanyahu's office quickly denounced the gunmen's shootings as an attack on the peace agreement signed in Washington in October. David Bar-Ilan, a senior

adviser to the prime minister, said the incident made "a mockery" of the Palestinians' commitment to peace under the agreement.

Citing previous Palestinian violations of the agreement, they refused to turn over any more land in the West Bank, a refusal likely to remain steadfast until Israelis go to the polls in May to elect a new government.

In Hebron, the gunmen reportedly hid in an alleyway on a winding road and ambushed the van as it was leaving the Cave of the Patriarchs, a holy site to Jews and Muslims, and heading to the nearby Jewish settlement of Kiryat Arba.

Both women who were shot remained hospitalized.

Hebron, where 450 Jewish settlers live amid 150,000 Palestinians, has long been a troubled place, a flash point for violent confrontation, but until this attack, it was experiencing a relatively calm winter.

Israeli Army officials asked the Palestinians to hunt for the suspects. "We approached the Palestinians and asked them to take action in their territory in order to investigate the matter and capture the attackers," Yitzhak Eitan, the army commander for the West Bank, told Israel Radio.



ISRAEL APPROVES EARLY ELECTION — Ehud Barak, center, leader of Israel's Labor Party, being congratulated by fellow party members in the Knesset on Monday. The Parliament gave final approval for early elections May 17. Mr. Barak intends to challenge Prime Minister Benjamin Netanyahu.

BRITAIN: Government Scandal Claims a 3d Victim, the Chancellor's Press Secretary

Continued from Page 1

John Smith. Mr. Whelan, 44, is a Brown loyalist long seen as a stoker of a simmering feud between his boss and Mr. Mandelson that has continually flared since Mr. Blair became prime minister.

Mr. Whelan was suspected of being the person who disclosed the secret arrangement between Mr. Mandelson and Mr. Robinson.

In a statement Monday saying that he would be quitting "as soon as an appropriate opportunity becomes available," Mr. Whelan denied that he was the one who turned Mr. Mandelson in.

"I want to make it absolutely clear that I was not responsible for disclosing any information about Peter Mandelson's mortgage and I refute any suggestion that I was," he said. "I do, however, take the view that the job of

press secretary becomes extremely difficult if the press secretary, and not the department he serves, becomes the story and the subject of excessive attention."

Press secretaries and information management have become stories more frequently in this government than in past British ones because of the importance the Blair people attach to presentation, or "spin."

Alastair Campbell, a former correspondent for the tabloid newspaper The Mirror and Mr. Blair's official spokesman, has insisted on a level of coordination in the issuance of government information unseen until now in Britain. Officials and their spokesmen are regularly encouraged to stay "on message."

Mr. Campbell has been frequently reported to be put out with Mr. Whelan's resistance to direction from No. 10 Downing Street. He bade him a blunt

farewell Monday, saying, "I have got no doubt whatever that he will find work that he will probably enjoy more and which will use his talents well."

Mr. Whelan and Mr. Mandelson shared the same press honorific, "spin doctor," but little else.

Mr. Whelan, a youthful Communist and former union press officer, is affable, gruff, profane, someone who the Press Association, Britain's domestic news agency, said "never called a spade when he could call it a bloody shovel." Mr. Mandelson is silky and urbane, an Oxford graduate with cosmopolitan taste in friends and clothes who embraced the world of business and taught the Labour Party to do the same.

Mr. Mandelson accepted the loan from his millionaire colleague on the Labour back benches when he decided to move from a modest apartment to a

house in the fashionable Notting Hill area of west London. He later said he expected that a family inheritance would enable him to pay it back promptly.

Mr. Whelan fell under suspicion during the last 10 days of intense media speculation because he is a friend of Paul Routledge, a journalist who last year composed an admiring biography of Mr. Brown and is now publishing a damning one of Mr. Mandelson that began serialization in The Mirror on Monday.

The information about the secret mortgage was in the first chapter of Mr. Routledge's book, but The Guardian published it first on Dec. 22, leading Mr. Mandelson and Mr. Robinson to resign the following day.

On Sunday, The Mirror accused The Guardian of stealing a look at Mr. Routledge's manuscript, but The Guardian said it had its own independent source.



Charlie Whelan arriving at the Treasury in London on Monday.

Sihanouk Offers to Stand Trial For His Links to Khmer Rouge

By Seth Mydans
New York Times Service

PHNOM PENH — As passions rise here over whether to put former leaders of the Khmer Rouge on trial, King Norodom Sihanouk volunteered Monday to join them in the dock to answer for his past associations with the brutal Communist movement.

"I am ready to appear in front of a tribunal in charge of judging the Khmer Rouge and their real or supposed accomplices," the king said in a statement from Beijing, where he spends much of his time. "Even if the tribunal judges do not summon me, I will turn up anyway."

No one has suggested that the king stand trial. But he appeared to have been stung by reminders in the press that he lent his name to the movement, as its nominal head of state, at the start of the period from 1975 to 1979 when it ruled Cambodia and caused the deaths of more than a million of his subjects.

Many people in public life today, including Prime Minister Hun Sen, have had links with the Khmer Rouge, either during the time they ruled the country or in the following decade when a coalition of royalists, democrats and Khmer Rouge fighters battled a Vietnamese-backed government in Phnom Penh.

In addition to the political cross-currents that complicate a resolution to the country's past conflicts, there is a network of often-hidden personal relation-

ships that keeps past debts and rivalries alive.

Both the United States and the United Nations, which have worked on preparations for a possible tribunal, have made it clear to the leaders of Cambodia that they have no intention of casting a wide net, a person involved said.

The preparations appear to be focusing on a dozen top figures from the Khmer Rouge Central Committee and the torture house at Tuol Sleng prison, where at least 14,000 people were killed.

Among these are Khieu Samphan, the movement's nominal head of state, and Nuon Chea, a top ideologist, who surrendered to the government on Dec. 25. Mr. Hun Sen at first seemed to say he opposed a trial, then seemed to say he favored one.

The two men were allowed to tour the capital before returning Monday to Phnom Penh, an enclave of former Khmer Rouge in a remote area of western Cambodia.

In an anguished statement last week, the king said he would have no part of Mr. Hun Sen's seeming leniency and asserted that he would not issue a royal amnesty to the two men. He left it up to Mr. Hun Sen to decide their fate.

The king, who is now 76, lent his name to the Khmer Rouge guerrillas after he was ousted in a United States-backed coup led by his army chief, Lon Nol, in 1970. The king's popularity was a major boost to recruitment by the small communist insurgency.

Burglar, 70, Dies On His Rounds

The Associated Press

WEINFELDEN, Switzerland — A 70-year-old burglar collapsed and died after breaking into an apartment, Swiss police said Monday.

The police said the cause of death had not been confirmed but that the man, who had used a master key to get into the apartment, had probably been struck by a sudden illness.

The body was discovered by the owner of the apartment, also an elderly man, Sunday afternoon.

The police said the burglar, whose name was not released, had a previous conviction for a similar offense.

ACEH: 9 Rioters Die in Sumatra Violence

Continued from Page 1

intended to reassert their authority over the province.

"From where my office is, about one kilometer from the shopping center, traffic looks normal," he said. "I can't confirm all shops are open but it seems life is beginning to get back to normal. People are still cautious."

Hospital sources said 39 people had been admitted for treatment, most suffering bullet wounds, including a woman shot in the stomach and in serious condition.

The violence Sunday was triggered by a military raid to try and capture the leader of the "Free Aceh" movement, Ahmad Kandang. While Mr. Kandang

KOREA: What's Going On in Room 529?

Continued from Page 1

from domestic spying, Mr. Kim has been hailed for his efforts to bring reconciliation at home and across East Asia. But his critics say that having inherited a repressive apparatus, he decided not to dismantle it and instead redirected it to monitor and intimidate his rivals.

So far, Mr. Kim has said nothing about the latest uproar, but his aides suggested that Room 529 was being used merely for liaison work between the National Assembly and the Agency for National Security Planning.

Some of the documents supposedly showing surveillance were actually just summaries of news articles, the aides said, and they denounced the opposition

members for breaking into an office.

"This is a totally illegal act," Park Jie Won, President Kim's chief spokesman, said of the break-in.

There is no evidence directly linking Mr. Kim or the Blue House — the presidential office and mansion — to the spying on politicians.

Indeed, some of the seized documents, 12 of which were made public, suggest that the Agency for National Security Planning was gathering intelligence on members of the governing party as well as on the opposition — and that it was concerned less with Mr. Kim than with protecting its own institutional hide from criticism by politicians of all stripes.

Opposition politicians called on the agency's director, Lee Jong Chan, to step down, and on Mr. Kim, who appointed the director, to apologize to the nation.

Mr. Lee took the offensive, though, and the agency filed a complaint with prosecutors, accusing dozens of opposition members of breaking and entering.

Prosecutors have been investigating the incident, even taking fingerprints off the door to determine who, precisely, broke the lock.

Under South Korean law, members of the National Assembly can be indicted but cannot be arrested while the assembly is in session, unless a majority of the members approve the arrests.

The governing party has the votes to do that, but such a move would lead to a total breakdown of political cooperation in South Korea.

The party, the National Congress for New Politics, did not say whether it might go as far as that.

BRIEFLY

Israel to Deport Doomsday Cultists

PETAR TIKVAH, Israel — Israel on Monday ordered 11 members of a Denver-based doomsday cult deported and brought two others before a magistrate on suspicion they plotted a Jerusalem shoot-out with police in hopes it would bring Christ's return.

In all, 14 members of the Concerned Christians group — eight adults and six children — were arrested Sunday afternoon in raids on two homes in Jerusalem suburbs.

Fourteen cult members arrived in Israel in small groups in September and settled in two homes. They were under police surveillance for several weeks. (AP)

UN Envoy Arrives In Angola for Probe

LUANDA, Angola — A United Nations special envoy arrived here Monday to investigate the downing of two UN planes in the central highlands, where Angolan government troops are engaged in fighting with rebel forces.

Meanwhile, the UN mission that was overseeing implementation of the country's shattered 1994 peace accord continued evacuating its 1,000 staffers from war zones in the southwest African nation.

The UN envoy, Benon Sevan, said he had brought messages from Secretary-General Kofi Annan for President Jose Eduardo dos Santos and the rebel leader, Jonas Savimbi. He declined to reveal the content of the letters. (AP)

U.S. Officials Meet Colombian Rebels

BOGOTA — U.S. diplomats have met secretly with a Colombian guerrilla faction the United States officially considers to be terrorists, according to U.S. and Colombian officials.

Details were still sketchy about the meeting in Costa Rica between State Department officials and members of the 15,000-member Revolutionary Armed Forces of Colombia, which plans to enter negotiations with the government Thursday. (AP)

سكنا من الامم

Style

The Discreet but Ubiquitous Charm of Bijan

By Jennifer Steinhauer
New York Times Service

NEW YORK — The cashmere-covered world of Bijan is one of many contradictions. On the one hand, the chairman of the company, Bijan Pakzad, could not be more ubiquitous. His face is plastered all over magazine advertisements and Manhattan billboards, where he appears with Michael Jordan and Bo Derek, smoking and vamping. On the other, he does not fashion shows for his men's clothing line, is all but absent from the fashion press and permits into his store only people who have first made appointments.

Bijan, as he prefers to be called, will not discuss who his customers are, yet a wall of his opulent Fifth Avenue store is covered with clocks, each bearing the name of one of his most loyal shoppers.

And Bijan, who counts discretion among his attributes, seems almost singularly obsessed with money; he constantly cites the fat bank accounts of his clients, the high prices of his goods and his own wealth. Indeed, one of his advertising slogans is, "The costliest men's wear in the world."

The staff members in his store seem equally versed in his design equation: Wealth equals importance, importance equals a need to shop for clothing in the

confines of a private store and clothing purchased there must live up to a reputation for exclusivity in the form of very expensive fabrics, hand-tailoring and mink lining where it is least expected. Then, there are the prices. Bijan and his staff revel in the fact that his \$15,000 vicuna coat, \$350 set of ties and \$65,000 luggage set with crocodile trim are prohibitive to most.

"One one-tenth of one percent of the world's population can afford to shop in such splendor," boasted Steve Stalder, a Bijan salesman who has worked in the store for 17 years. "When these men walk into the room, people tremble."

If the rhetoric inspires giggles and the prices gasps, the aesthetic — upscale Beverly Hills dentist, as one fashionista put it — is almost a footnote to the whole operation.

By his own admission, Bijan does not subscribe to trends in men's wear, sticking instead with classics like windowpane wool suits and cashmere sweaters in a plethora of colors. Accents include the odd electric-blue python jacket, from a fashion genre best described as early midlife crisis. "My point is to be simple and classic," Bijan said in a telephone interview from his headquarters in Los Angeles.

His flamboyance and eccentricities attract snickers — this is a man who had \$20 million worth of diamonds braided

into Bo Derek's hair for a perfume advertisement, then hired armed guards to stand outside a Beverly Hills hotel while she slept. And his lack of shows and editorial coverage means that many in fashion have no idea what he is selling.

"Bijan? I don't have any clue," said Valerie Steele, a professor at the Fashion Institute of Technology. "As far as I can make out, the image is someone who makes perfume and fashions for rich people."

But Bijan also deserves credit for perseverance. In an age where super-exposed designers can nonetheless be financial failures (think Isaac Mizrahi), he has managed to keep a very 1980s concept up and running. He has done so in large part by being among the first and most successful designers to take their name and reproduce it in a fragrance.

He came to the United States from Iran in 1971 with some family money. "I came here with the thought to be a designer," he explained. "But I found no one could carry my designs to reality. So I became a manufacturer. Then, I needed a showroom. I decided to do it my own way. It is very snobby, by appointment only, but I thought if I showed my clothes with taste and quality for a few thousand people, I would be successful." His Beverly Hills store

opened in 1976, New York in 1983.

But it is scent that drives the business. Bijan, his signature perfume and his only product for women, is expensive, but at \$65 for the can de parfum, it is an indulgence many women have gone for since it was introduced in 1987.

There is also his DNA line, Bijan Light and the Michael Jordan fragrance, for which he holds the license, which is sold in places like the Sports Authority. Of the \$150 million in revenues he says he made last year (the company is privately held and its finances cannot be checked), two-thirds came from fragrance sales, he said.

Letting cosmetics and scents bankroll the house is now the oldest trick in the book — Christian Dior sells more bottles of perfume in one week than dresses in a year, and Ralph Lauren and Calvin Klein long ago realized that the road to profitability is paved with citrus and musk — but Bijan is among its pioneers.

"The signature fragrance is considered a classic," said Annette Green, president of the Fragrance Foundation. "He is different in a way, because he was not like Ralph or Calvin, who are fashion designers to the masses. No one ever heard of him. He did some very clever things to get himself recognized."

That would be spending more than \$30 million a year in advertising, often doing an entire campaign that runs only once. In a business driven by new products, constant advertising is a must. And while Bijan is no Chanel No. 5, the fragrance is still among the top 20 sellers in many stores, Green said.

As quiver-inducing as the Bijan customers may be — and, according to the wall of clocks, they include Stevie Wonder, Bill Blass, Stephen King and a myriad of kings and princes from the Middle East — it seems that they, too, sometimes need fashion tips.

For these men, there are six closets of clothing, each representing one color. Butter-yellow shirts, pale yellow wool jackets, gold ties, a cashmere jacket in a sunshine hue. "If you were a gentleman



The designer Bijan does not care much for fashion trends, sticking with menswear classics like windowpane wool suits and cashmere sweaters.

who is too busy thinking about your business and does not have the confidence to dress," Stalder said, "this helps."

There are three-piece single-breasted suits in fine wool, and many items are lined with this year's scarf print of choice, one that features swords inspired by Bijan's personal Napoleonic collection.

So, who is all this stuff aimed at? "It is probably a very affluent older gentleman who isn't worried about what celebrity is wearing what to a party," said Bruce Pask, the associate fashion director for GQ magazine. "He doesn't know about trends and doesn't care about them." (Things sometimes turn sour with even the best customer — Bijan is suing the Sultan of Brunei over payments for a line of fragrances.)

Brett Neubig, his spokesman, describes Bijan this way: "He is difficult, but he has every right to be. He pushes the creative envelope. He has pushed me around the store, I had chills all over my body."

Fortunately for him, there was plenty of warm cashmere around.

A Priestess of Adornment Zen

By Anne-Marie Schiro
New York Times Service

NEW YORK — You may admire Kazuko's work, but don't call her a designer. "I don't design," she said emphatically. "I make things."

What she makes are one-of-a-kind necklaces, pins, earrings and bracelets of precious stones wrapped in gold wire; evening belt purses of antique fabric trimmed with pearls and crystals; hand-painted stationery, and vests made of antique laces adorned with delicate stones.

Her jewelry has earned her a loyal following in the 10 years it has sold at Barneys New York stores, but the newer note cards and fabric pieces have created the impetus for an exhibition of Kazuko's work planned for spring at the Holly Solomon Gallery, at 172 Mercer Street.



Kazuko's vest of lace and pearls sells for \$1,975; the cell phone pearl pouch on gold wire goes for \$1,875.

Kazuko considers herself an artist. Others may call her an artisan. She makes everything herself, with no assistants, working on the floor of her all-white apartment high above West 57th Street. "I tell this high-rise loft," she said, pointing to a view of Central Park and beyond through uncurtained windows. "I'm obsessed with light. When I meditate, I look at the clouds."

She lives with almost no furniture, stacking her belongings on the floor and covering them with white fabrics like dropcloths. "I grew up very modern in Japan, and now I live very Japanese," she said. Her piles of books are blanketed with gauze. "I cover them because they talk too much," she said. "They have too much energy coming out."

The only color comes from spindly plants, tiny animal figurines, framed photographs and, when she works, colored stones like coral, tourmaline and aquamarine.

A diminutive, birdlike woman with long black hair, Kazuko wore nothing but black for many years, until her acupuncture told her that black attracts "negative energy." (Tell that to the fashion flock.) Now she wears only white, usually voluminous swaths of fabric from designers like Issey Miyake, Fernando Sanchez and Yoshio.

"I totally believe in fashion," she said. "Fashion is like Zen. What we put

on our body is as important as what we eat and breathe."

She wears a bracelet encasing three large clear crystals on one wrist and a changing assortment of necklaces holding colored stones and crystals around her neck. The stones she chooses carefully each day, not for color but for symbolism. She believes in the power of crystals, attributing special properties to each stone and calling her jewelry "healing sculpture."

"You feel a healing energy when you touch each bead," she said. "Your heart has to be in the right place. If I'm angry, I can't make these things. The needles cut and the wires bruise my skin."

She said that when someone first suggested rubbing a stone for 15 minutes a day to release its healing power, she was skeptical. "I tried it for two weeks and began to feel better," she said. "I began to study crystals. This belief in crystals didn't start in the '60s. It has been throughout history. I envisioned the

caveman seeing a crystal in his cave and rubbing it until it shined."

Some of the women who wear her jewelry believe, like Kazuko, that it has talismanic properties. Kitty D'Alessio, a former president of Chanel and of Josie Natori, wears Kazuko's clear crystal bracelets all the time since a bout with cancer five years ago.

In New Age-speak, clear quartz crystal is supposed to balance the emotions, stimulate the brain and dispel that negative energy. But it's a good bet that most women who wear Kazuko's jewelry aren't interested in magical qualities. They just admire it for its beauty and because it rarely fails to elicit admiring comments. That is certainly why fashion magazines photograph the jewelry, and why it has gained a prominent spot in the Barneys store.

Although Kazuko, who uses just one name ("like Cher and Madonna," she said), studied painting as a child in Tokyo, she dabbled in many arts after arriving in New York in 1968 on a scholarship. "I studied theoretical drama at NYU and went to La Mama and worked there for a year," she said.

She then became interested in photography and exhibited her hand-painted photographs in a photo gallery in 1972. When she developed an allergy to the chemicals, she looked for a new outlet. "I became a technologist and started making videos," she said. "I was making avant-garde videos, trying to express everything poetically. I wanted to make technology my slave, but it didn't work out. Technology was not making me happy."

HER friend Robert Frank, the photographer, told her to do something simple, "something that makes you happy."

Since she had been collecting antique fabrics and beads, she started to make scarves and adorned them with the beads. "I wanted to do something of a kind that comes out of my hand and my heart," she said. "I used to wrap the stones with silk threads, but I had no idea silk wouldn't hold the stone. That's when she discovered gold wire and developed the cagelike wrapping that became the Kazuko signature."

ON SUNSET BOULEVARD The Life and Times of Billy Wilder

By Ed Sikov. Illustrated.
675 pages. \$35. Hyperion.

Reviewed by Andrew Sarris

THE epigraph to the preface of Ed Sikov's finely wrought and prodigiously researched biography of Billy Wilder quotes the congenitally faisty filmmaker thus: "In real life, most women are stupid — and so are persons who are writing biographies of Hollywood celebrities."

This pronouncement helps explain why Wilder refused to grant Sikov even a token interview, but it is wildly inaccurate when applied to the author of "On Sunset Boulevard." With the insights of a sophisticated film scholar and the expertise of a tenacious reporter, Sikov takes us with Wilder on a 90-year roller-coaster ride from the twilight years of the Austro-Hungarian Empire through Weimar Berlin, Hitler and the Holocaust to the last sunsets of the Hollywood studio system.

But if the second part of Wilder's derisive quotation is incorrect, the first part, with its woman-hating bravado, has misled even so astute a chronicler as Sikov to take Wilder at his word too often and too relentlessly. Indeed, I lost count of the number of times Sikov uses variants of the word "misogynous" to describe Wilder's work. Misogynous compared with whom? John Huston, Orson Welles, Sam Peckinpah? Any writer-director responsible for the ecstatic explosions of romantic love in "The Major and the Minor" (1942), "The Lost Weekend" (1945), "Sabrina" (1954), "Love in the Afternoon" (1957), "The Apartment" (1960) and "The Private Life of Sherlock Holmes" (1970) can hardly be singled out for censure amid the overall sexism of the motion picture industry both in Wilder's time and in our own.

Similarly, the facile allegations of cynicism leveled at Wilder, even by a one-time and repentant detractor like me, tend to be overemphasized in the book, which is otherwise a perceptive and profound appreciation of one of Hollywood's most accomplished and consistently iconoclastic filmmakers. Sikov acknowledges that Wilder's harshest films seem in retrospect gentler and more civilized than the brutish spectacles to which we have been conditioned in the increasingly apocalyptic 1990s. Yet it can be argued that Wilder even in his own era was compelled by his contrarian tastes to inject new twists and turns into the familiar Hollywood formulas for comic and dramatic shock effects.

Not that Wilder ever lacked other reasons to be cynical. From the day of his birth on June 22, 1906, in Sucha Beskidzka, in the Galician province of the decaying Austro-Hungarian Empire, his existence was clouded by a virulent anti-Semitism that long antedated the Nazis. He faced it in Vienna, where he began his career as a journalist in 1925, and in Berlin, where he plunged into screenwriting.

Sikov follows Wilder through a maze of paradoxes. Though Hollywood considered him more a screenwriter-director than a director-screenwriter, he very seldom wrote a script without a collaborator. To explain Wilder's professional survival in Hollywood's ultra-Darwinian jungle — his directorial career extended from 1942 to 1981, with a very high percentage of critical and commercial successes, including six Oscars — Sikov skillfully interweaves the myriad details of moviemaking. In particular, he describes the contrasting chemistries of Wilder's two collaborative "marriages" with his writing partners Charles Brackett (from 1938 to 1950) and L.A.L. Diamond (from 1957 to 1981). Wilder's unilateral "divorce" from Brackett right after the co-writing coup of "Sunset Boulevard" is treated as a sour note in Wilder's triumphant processional through talking pictures.

Wilder's first project after breaking with Brackett was "Ace in the Hole," an angry assault on the public's morbid fascination with human disaster on a scale intimately identifiable enough to incite a press feeding frenzy. Unfor-

tunately, the paying public in 1951 stayed away in droves.

Wilder rebounded from this setback with a succession of less personal but more commercially palatable movies with a variety of screenwriting collaborators. Then in 1957, with "Love in the Afternoon," he joined forces with Diamond, a young screenwriter with whom he could work much more smoothly than he ever had with Brackett. As with his second wife, Audrey Young, to whom he was married for close to half a century, Wilder was second-time lucky. Of all his fellow German Jewish émigrés, Wilder most admired and adored Ernst Lubitsch, with whom he and Brackett had worked on "Ninotchka" (1939). But the director who influenced him the most stylistically — and this is one of Sikov's most notable revisionist coups — was Howard Hawks, with whom he and Brackett collaborated on the 1941 comedy "Ball of Fire." What Wilder admired in Hawks was his ability to edit in his mind, so as to leave no "covering shots" for producers to play games with in the editing room. Also, Hawks, in Wilder's eyes, never betrayed the script for the sake of a personal flourish of visual virtuosity.

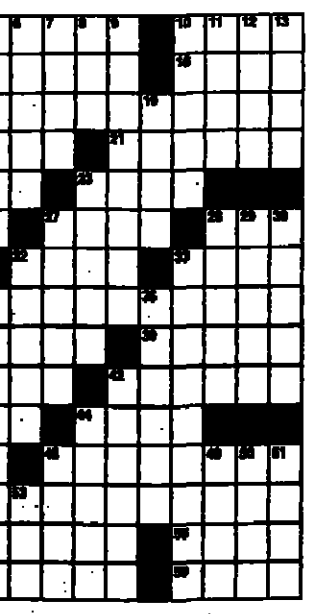
All in all, Sikov, whose previous books include "Screwball: Hollywood's Madcap Romantic Comedies" and "Laughing Hysterically: American Screen Comedy of the 1950's," has painted as good a portrait of Billy Wilder, the man, the artist, the showman, the self-promoter, the profitably prescient art collector and the successful businessman, as we are likely to get from the outside. Indeed, Sikov's is less a still portrait than a blurry, moving picture of an eternally restless human being, racing from country to country, pacing up and down during screenwriting conferences, dashing about from one set to another and from one story idea to another.

Andrew Sarris, whose most recent book is "You Ain't Heard Nothin' Yet: The American Talking Film — History and Memory, 1927-1949," wrote this for The New York Times.

CROSSWORD

- ACROSS**
- 1 Auntie, dramatically
 - 6 "La Chanson de" artist
 - 10 Slide in barns
 - 14 Quaker's
 - 15 Humble
 - 16 Cookie since 1912
 - 17 Asset for 34-Across?
 - 20 Bee activity
 - 21 Classical lyro poet
 - 22 Creative work
 - 23 Book after Nehemiah
 - 24 Shes of crosses
 - 27 Meadow sounds
 - 28 — Na Na
 - 31 No longer on the photo
 - 32 Doughnut shapes
 - 33 Extent
 - 34 Circus act
 - 37 Place for a revival
 - 38 Kind of desk
 - 39 Flowerless plants
 - 40 Before, in poetry
 - 41 Rules out
 - 42 Not yet sunk
 - 43 Common halo or goodbye
 - 44 Habbes corpus, for one
 - 45 Spicy cuisine
 - 48 Takes advance orders for
 - 50 Liability for 34-Across?
 - 54 The Uxale are west of it
 - 55 Dinner bird
 - 56 Willy Bombback
 - 57 Put all on, maybe
 - 58 Bridge positions
 - 59 Time of decision

- DOWN**
- 1 Handy computer
 - 2 "There oughta be —"
 - 3 Southwest slight
 - 4 Glad-handing type
 - 5 Father of X-rays
 - 6 Dark shades
 - 7 "Thieves' group"
 - 8 Numskull
 - 9 Leaves the dock
 - 10 Zing
 - 11 Saren, e.g.
 - 12 Preyer
 - 13 London or New York district
 - 14 Be about to happen
 - 15 Feeding feed
 - 16 Jumping the gun
 - 18 Romantic adventure
 - 25 More cold and wet
 - 26 Agreeing (with)
 - 27 Marine signs
 - 28 Vesp Agnew
 - 29 — Barbara (big name in cartoons)
 - 30 Feeling of apprehension
 - 32 Coil
 - 33 Took the heat badly
 - 34 Search like wolves
 - 35 Alcohol
 - 41 Island near Java
 - 42 Rugged ridges
 - 43 Actor Tom of "The Duke of Hazzard"
 - 44 Extract by force
 - 45 Symbol of noncommunication
 - 46 Trick
 - 47 Oscar winner
 - 48 Light Prank
 - 49 Byron or Tennessee
 - 50 Tibetan monk
 - 51 Corset part
 - 52 — fault (overly so)



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FOR INVESTMENT INFORMATION
Read THE MONEY REPORT every Saturday in the IHT.

CHESS

By Robert Byrne

THE ancient pawn sacrifices for attack occur mostly on the second move of the game, the earliest point at which one could make such an offer. But nowadays the Dilworth Gambit is played on the 11th move, the Mackenzie Gambit on the 16th move and several nameless gambits in the King's Indian Defense in the middle game. Almost everything has been worked over.

Nevertheless, a new one, so far unnamed, made its appearance this year. The English grandmaster Jim Plaskett invented it and Boris Gulko, Board 6 on the American Olympiad team, used it to win a rousing battle against Liviu-Dieter Nisipeanu, a Romanian grandmaster.

In the Petrosian System against the

Queen's Indian Defense, after the Nimzovich-style 5...Ba6, routine play has not succeeded lately. That's why there was pressure on White to venture a gambit with the wild 6.Nc3!7, originated this year by Jim Plaskett against Matthew Turner in Nottingham, England.

After 7.e4, it would have been no good to play 7...ed because 8.Be4 d9 c5 Ng8 10 O-O gives White an attack against a king that will have trouble getting out of the center.

After 8.f7, Turner had played 8...d6, but after 9.d6 10.Qb3 Qe8 11.Bf4, he was still facing a dangerous attack. Nisipeanu, on the other hand, lashed out with 8...b5 9.Nb5 Qa5 10.Nc3 Ne4 to diminish the white center.

After 12.Nd2, the critical position arose. If 12...Qe7 13.Qf3 Qe5 14.Kd1 Qf6, then 15.Qe3 d6 16.Nde4 Qd4 17.Kc2 ed 18.Rd1 Qe5 19.Nd6! Bd6 20.Rf1 wins. If 12...Na6, then 13.Qf3 Rb8 14.Nc4 Qe7 15 O-O-O gives White a terrific attack.

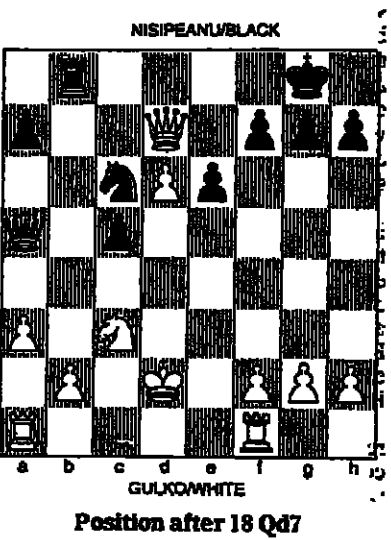
Nisipeanu gave up a rook with 12...Be7 13.Qf3 Q-O (13...ed 14.Nd5 Nc6 15.Ne7 Ke7 16 O-O-O Qb5 17.Qe4 Kf8 18.Nc4 yields Gulko a smashing attack) 14.d6 Bg5 15.Qa8 Nd6 16.Qb7 Bd2 17.Kd2 Rb8 18.Qf7, but then played the hopeless 18...Qb6?

Gulko and Alexei Yermolinsky pointed out that his only chance was 18...Rb2! 19.Kd1 h6! 20.Qe8 Kf7 21.Rc1 Qb6 22.d7 Nd8! 23.Qa8 (23.Ne4

Qb3 24.Kc1 Qd3 forces mate) Qd6 24.Nd5 Qa6!, which actually wins for Black. They also gave 21.Rb1 Qe3 22.Rb2 Qb2 23.Qe6, but after 23...Qb1! 24.Ke2 Qc2 25.Ke3 Qc3 26.Ke2 Qc2! White cannot escape perpetual check.

Nisipeanu's 18...Qb6? threatened 19...Qb2 as well as 19...Rd8!, but Gulko fought his counterplay down with 19.Na4! Qa5 20.b4 Qa4 21.Rfcl.

After 24.Kd3, Nisipeanu gave up in the face of 24...Qa1 25.Rc8 Kc8 26.Qe8 Kg7 27.Qc3.



Position after 18.Qd7

NYSE**Monday's 4 P.M. Close**

The 2,300 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press.

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NAME	AGE	SEX	RELATION	EDUCATION	RELIGION	DATE OF BIRTH	DATE OF DEATH	PLACE OF BIRTH	PLACE OF DEATH	CAUSE OF DEATH	DATE OF BURIAL	PLACE OF BURIAL
John Doe	45	M	Husband	High School	Protestant	1875-01-15	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Jane Doe	42	F	Wife	High School	Protestant	1875-02-20	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Robert Smith	38	M	Son	College	Catholic	1882-05-10	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Mary Smith	35	F	Daughter	College	Catholic	1885-08-25	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
William Brown	52	M	Father	High School	Protestant	1868-03-05	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Elizabeth Brown	48	F	Mother	High School	Protestant	1872-06-18	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Charles Green	40	M	Brother	College	Catholic	1880-09-12	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Anna Green	37	F	Sister	College	Catholic	1883-11-01	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Thomas White	55	M	Uncle	High School	Protestant	1865-04-22	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Sarah White	50	F	Aunt	High School	Protestant	1870-07-14	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
James Black	43	M	Cousin	College	Catholic	1877-10-03	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Elizabeth Black	40	F	Cousin	College	Catholic	1880-12-15	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Michael Gray	30	M	Nephew	College	Catholic	1890-01-28	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Patricia Gray	28	F	Niece	College	Catholic	1892-04-10	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
David King	25	M	Grandson	College	Catholic	1895-06-20	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA
Lillian King	22	F	Granddaughter	College	Catholic	1898-09-05	1920-03-10	New York, USA	New York, USA	Heart Disease	1920-03-15	New York, USA

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Continued on Page 14

Malaysia
takes Over
MBF Fina
Complete Trans
and Bank in t

'Preemptive Action' Puts Central Bank in Control

By Thomas Fuller
International Herald Tribune

es announcing plans to join KKKKK.

Asian Markets Bid Euro Up

By Philip Segal
International Herald Tribune

In Japan, where many companies are still closed for the year-end holidays, Vincent

Asian countries are still prominent lenders to the rest of the world, with well over \$500 billion in foreign-currency reserves, more than 40 percent of the world's total. A big chunk of this is in highly liquid U.S. government bonds. A quickly depreciating dollar could prompt some central banks in the region to switch to euros.

New Currency Alters IHT Tables

By Laurence Desvillettes
International Herald Tribune

AMERICAN EQUITIES: The table listing trading on the American Stock Exchange has been moved off the Americas page and will be printed with the New York Stock Exchange and Nasdaq stock tables. The NYSE and AMEX tables have been shortened.

Forecasts for '99 See U.S. Making a Soft Landing

By Sylvia Nasar
New York Times Service

Last year, when economists were sure

Intuitively, economists say, may bring it about: a sluggish world economy, a growing profit squeeze and a less than ebullient stock market. The unsettled global economy should continue to drag down growth in the United States. Merrill Lynch & Co. expects growth in the world's 45 largest economies to slow to just over 1.25 percent

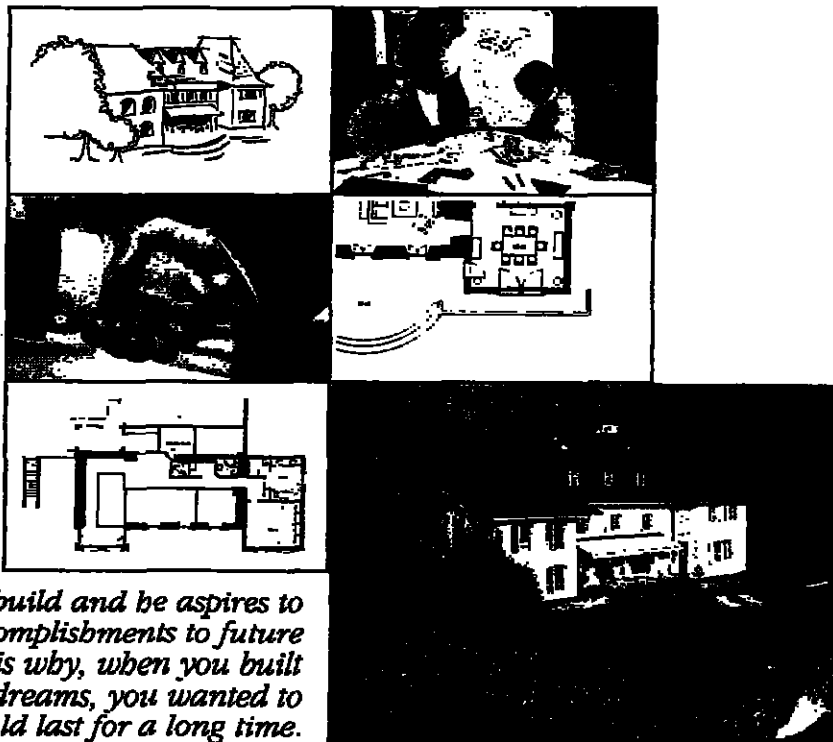
ECONOMIC SCENE

Intuitively, economists say, may bring it about: a sluggish world economy, a growing profit squeeze and a less than ebullient stock market. The unsettled global economy should continue to drag down growth in the United States. Merrill Lynch & Co. expects growth in the world's 45 largest economies to slow to just over 1.25 percent

CURRENCY RATES

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HOW TO BUILD



Man was born to build and he aspires to pass on his accomplishments to future generations. That is why, when you built the home of your dreams, you wanted to make sure it would last for a long time. You called upon professionals who shared with you their valuable experience and advised you on the best materials. At Crédit Lyonnais, you'll find such skilled specialists in the field of Private Banking. Get to know them. They know how to listen well, so you'll benefit fully from their in-depth experience to help make your plans for years to come a reality.

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THE AMERICAS

Markets Mixed as Investors Seek Novelty

NEW YORK — Stock prices were mixed in a volatile session Monday, led higher by technology shares but falling back as investors trimmed back their outflows of cash from year-end bonuses and other sources into the market.

U.S. bonds fell as investors flocked to European stocks and bonds on the first day of trading for the single European currency, the euro.

The Dow Jones industrial average, which at one point was up more than 165 points, closed at 9,184.27, up 2.84 from Thursday, the last day of trading before the New Year holiday. Seventeen stocks rose for every 14 that fell on the New York Stock Exchange.

Broader market indicators also were mixed. The Standard & Poor's 500-stock index closed down 1.13 points at 1,228.10, but the technology-heavy Nasdaq Composite in-

dex finished up 15.35 points at 2,208.04, having touched a record 2,233.57.

Microsoft and Intel were among the biggest gainers on U.S. markets, rising in Nasdaq trading on investor expectation that their profit growth would continue to outpace the broader market.

"Those companies are going to continue to provide the leadership," said Robert Bloom, chief executive officer of U.S. Stocks.

At Friends Ivory & Sime, which manages \$3.5 billion and owns Microsoft and Intel, "They're getting bigger and executing better."

Microsoft, the world's biggest software company, rose 2 3/16 to 141, and Intel, the No. 1 chipmaker, gained 2 1/4 to 120 13/16.

Computer hardware shares also rose; an analyst at Merrill Lynch raised his forecasts for the stocks of

nine companies that make servers, personal computers and printers: Dell Computer, EMC Corp., Sun Microsystems, Lexmark International Group, NCR, Network Appliance and Xerox. Of those, Lexmark was down, and NCR was unchanged; the rest rose. IBM fell 1 1/4 to 183.

Among other active issues, Dell's rose 3/4 to 154. The retailer of casual apparel for teenagers and young adults said it would try to capitalize on investors' hunger for Internet-related stocks by selling shares of its on-line unit in an initial public offering.

ETrade Group rose 8 21/32 to 55 7/16 after the on-line broker said it would split its stock 2-for-1 for shareholders of record Jan. 15. Hilton Hotels rose 1 1/4 to 14 1/4 in its first day of trading after Hilton spun off its slumping casino business.

Spyglass Inc. dropped 7 to 15 after the maker of software that hooks devices up to the Internet said

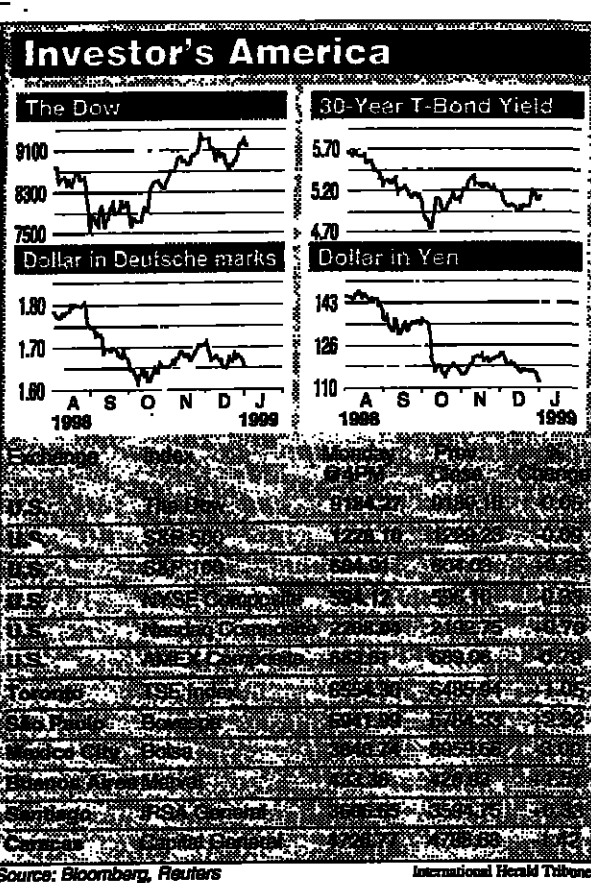
it expected to report a loss for the fourth quarter of 1998.

Many investors defer mutual-fund purchases in December to avoid taxable distributions. The traditional influx sent 282 shares to 52-week highs in U.S. trading, as 89 fell to lows.

"There's a lot of money that comes in that needs to be invested by mutual funds," said Rao Chalasani, chief strategist at Everen Securities Inc. The Dow industrials have risen in January for 15 of the last 20 years.

Treasury bonds, which had been expected to rally on optimism about the U.S. economy, fell as investors embraced European assets. The benchmark 30-year bond fell 7/32 to 101 1/2, raising its yield to 5.15 percent from 5.09 percent.

"There's a lack of interest in U.S. Treasury," said Graham Allen of Wells Capital Management in Los Angeles. (Bloomberg, AP)



Very briefly:

- AT&T Corp. is dropping a plan to separate its consumer and corporate businesses and will combine only its wireless and cable-television units in a subsidiary that will trade separately from its long-distance division.
- Intel Corp. introduced faster Celeron processors and cut prices on older chips as much as 21 percent as the world's largest chipmaker expands its products for low-cost PCs.
- Walgreen Co.'s first-quarter profit rose 20 percent, to \$104 million, as the largest U.S. drugstore chain cut costs. Revenue rose 15 percent, to \$4.02 billion.
- The National Association of Purchasing Management's index of manufacturing activity fell to 45.1 in December from 46.8 in November as production and new orders declined.
- Mexico ended price controls and subsidies for one of its most basic foods, the corn tortilla. Grupo Industrial Maseca S.A. and Grupo Maseca S.A., its two largest tortilla makers, are expected to benefit the most from the measure.
- Brazil's state development bank, known as BNDES, cut its long-term lending rate to 12.84 percent from 18.06 percent to try to shore up economic growth and reduce companies' borrowing costs. (Bloomberg, Reuters)

Weekend Box Office

LOS ANGELES — "Patch Adams" dominated the U.S. box office over the weekend, with a gross of \$20.1 million. Following are the Top 10 money-makers, based on estimated ticket sales for Friday through Sunday.

Rank	Title	Distributor	Gross
1	Patch Adams	Universal	\$20.1 million
2	Stepmom	TriStar	\$15.1 million
3	You're Not Evil	Warner Bros.	\$11.5 million
4	The Prince of Egypt	Dimension Pictures	\$10.1 million
5	A Day's Life	Wellpoint	\$9.1 million
6	Mighty Joe Young	Wellpoint	\$8.1 million
7	The Faculty	Dimension Pictures	\$7.1 million
8	Enemy of the State	Touchstone Pictures	\$6.1 million
9	Star Trek: Insurrection	Paramount	\$5.1 million
10	Jack Frost	Warner Bros.	\$4.1 million

U.S. STOCK MARKET DIARY

Monday, Jan. 4									
Dow Jones					Most Actives				
Index	High	Low	Open	Close	Symbol	High	Low	Open	Close
9,184.27	9,184.27	9,184.27	9,184.27	9,184.27	IBM	120.13	120.13	120.13	120.13
1,228.10	1,228.10	1,228.10	1,228.10	1,228.10	Microsoft	141.00	141.00	141.00	141.00
2,208.04	2,208.04	2,208.04	2,208.04	2,208.04	Intel	120.13	120.13	120.13	120.13
101 1/2	101 1/2	101 1/2	101 1/2	101 1/2	Apple	75.00	75.00	75.00	75.00
5.15%	5.15%	5.15%	5.15%	5.15%	Oracle	55.00	55.00	55.00	55.00

Monday, Jan. 4									
NYSE					Nasdaq				
Index	High	Low	Open	Close	Index	High	Low	Open	Close
1,228.10	1,228.10	1,228.10	1,228.10	1,228.10	2,208.04	2,208.04	2,208.04	2,208.04	2,208.04
1,228.10	1,228.10	1,228.10	1,228.10	1,228.10	2,208.04	2,208.04	2,208.04	2,208.04	2,208.04
1,228.10	1,228.10	1,228.10	1,228.10	1,228.10	2,208.04	2,208.04	2,208.04	2,208.04	2,208.04
1,228.10	1,228.10	1,228.10	1,228.10	1,228.10	2,208.04	2,208.04	2,208.04	2,208.04	2,208.04

Monday, Jan. 4									
Dividends					Per Annuity				
Company	Per Annuity	Rate	Pay	Company	Per Annuity	Rate	Pay	Company	Per Annuity
Amer High Inc.	0.07	12-31	1-4	IBM Corp.	3.16	1-4	1-4	IBM Corp.	3.16
Lincoln Financial	0.01	12-31	1-4	Microsoft	0.56	1-4	1-4	Microsoft	0.56
Southern Bell	0.05	12-31	1-4	Oracle	0.05	1-4	1-4	Oracle	0.05

Ford Chief Denies Plan to Buy Volvo Truck Unit

DETROIT — Ford Motor Co. is not averse to an alliance with another automaker, but it is not now in talks with Volvo AB about the sale of the Swedish company's heavy-duty truck business, its chief executive, Jacques Nasser, said Monday.

"We are not in any discussions on heavy trucks with anyone," Mr. Nasser said at the North American International Auto Show.

Speculation about further consolidation in the world auto industry has been fierce since Daimler-Benz AG's acquisition of Chrysler Corp. last year. Ford and Volvo AB have talked about some type of partnership to develop vehicles to be sold in the United States and internationally, but Mr. Nasser played down the chances of a full combination.

"Everyone talks to everyone," Mr. Nasser said. "In most cases they are about cooperating on components or in terms of technology."

Last year, Ford entered joint ventures with ZF Friedrichshafen AG to build transmissions and with PSA Peugeot Citroen SA to develop diesel engines.

Ford has also been mentioned as a potential acquirer of Bayerische Motoren Werke AG. Much of the speculation is fueled by the strength of Ford's balance sheet, which includes \$13 billion in cash and \$10 billion in securities, that could be sold quickly.

Even so, Mr. Nasser said there

was no acquisition that he viewed as mandatory. "We've still got a lot of leverage from our trucks, Jaguar and Lincoln," he said. "We're also very small, even with Mazda, in our presence in the Asian market."

Also on Monday, economists forecast that U.S. car and truck sales would remain steady in 1999 at around 15 million units, helped by low lending rates, low unemployment and gains in consumer purchasing power.

Automakers sold about 15.3 million cars and trucks in 1998, second only to the record of 16.03 million in 1986. Sales in 1998 were helped by General Motors Corp.'s campaign to rebuild market share after crippling summer strikes. Economists expect sales-spurring incentives to last into 1999 and predicted that unemployment that touched a 28-year low in November and attractive financing would sustain consumer demand for cars and trucks.

Most U.S. automakers are scheduled to report their December sales Tuesday or Wednesday. Industry-wide sales are expected to have risen 1.1 percent for the month, led by a 9.9 percent increase at Toyota Motor Corp., according to estimates by Luckey Consulting Group of Woodcliff Lake, New Jersey. General Motors Corp. sales are expected to have slid 4.5 percent, while Ford Motor Co.'s are forecast to have risen slightly and DaimlerChrysler's sales to have gained 5.2 percent.

At Volkswagen AG, Germany's largest automaker, which said 1998 unit sales rose 11 percent to more than 4.7 million vehicles, profit "will be much better than 1997," its chief executive, Ferdinand Piech, said. VW did not release specific profit or sales figures.

VW's New Beetle was named North American Car of the Year on Monday by a panel of 48 North American auto journalists, while DaimlerChrysler's Jeep Grand Cherokee got the Truck of the Year

award. Last year, the awards went to the Chevrolet Corvette in the car segment and to Mercedes-Benz ML320 in the truck category. The awards, which encompass domestic and imported vehicles sold in North America, have been given annually since 1994.

VW also unveiled plans for another New Beetle model, the 1.8 T, with a turbocharged four-cylinder engine producing 150 horsepower and a suggested retail price of \$19,000. (Bloomberg, AFP)

On-Line Holiday Shopping Soars at AOL

DULLES, Virginia — America Online Inc. said Monday that its subscribers spent about \$1.2 billion shopping on-line during the 1998 holiday season as consumers increasingly shifted from mall-hopping to Net surfing to find that perfect gift.

America Online, the world's largest Internet service provider, said about 1.25 million of its 15 million subscribers shopped on-line for the first time ever during the holiday season.

AOL said the average shopper bought two items a week on-line during last year's holiday shopping season, which ran from the last weekend in November to Dec. 27.

On the heaviest shopping day of the season, Dec. 17, AOL's on-line

retail partners rang up \$36 million in sales. AOL did not report comparable sales from the 1997 holiday season, when it posted its first \$1 million-plus shopping day.

America Online shares fell \$6.125 to close at \$149 on the New York Stock Exchange.

Separately, America Online lost its bid to bar AT&T's Internet unit from using "You Have Mail" and other popular terms describing electronic mail until AOL's trademark lawsuit is heard.

U.S. District Judge Claude Hilton in Alexandria, Virginia, rebuffed AOL's arguments that the rights to the phrase "You Have Mail" and the phrase "IM" and "Buddy List" were clearly owned by AOL, which uses them in its Internet e-mail services.

single currency's initial reference rate, set by the European Union's finance ministers Thursday, was \$1.16675.

Traders reported few problems in the switch to the euro, which took place over the weekend. That smooth transition helped bolster demand for the new currency. But the deputy U.S. Treasury secretary, Lawrence Summers, said the euro did not pose a threat to the dollar as the world's reserve currency because U.S. economic fundamentals were strong.

Also Monday, Treasury Secretary Robert Rubin said the U.S. should focus on its own policies as the euro began. He declined to comment on the euro's initial movements against the dollar. The dollar fell against the yen amid speculation that international investors would need to buy Japanese government bonds, whose yields are near 16-month highs.

Against other major currencies, the dollar was quoted at 111.925 yen, compared with 113.250 yen Thursday, the last day of trading before the New Year holiday.

The dollar also was at 1.3669 Swiss francs, down from 1.3740 francs Thursday. 1.6530 Deutsche marks, down from 1.6646 DM, and 5.5475 French francs, down from 5.5898 francs. The pound was at \$1.6607, up from \$1.6542. (Bloomberg, Bridge News)

INTERNATIONAL FUTURES

Monday, Jan. 4									
Grains					Metals				
Symbol	High	Low	Open	Close	Symbol	High	Low	Open	Close
CORN (CBOT)	1.25	1.25	1.25	1.25	GOLD (COMEX)	340.00	340.00	340.00	340.00
WHEAT (CBOT)	1.25	1.25	1.25	1.25	SILVER (COMEX)	4.75	4.75	4.75	4.75
SOYBEAN (CBOT)	1.25	1.25	1.25	1.25	PLATINUM (COMEX)	1,000.00	1,000.00	1,000.00	1,000.00
COFFEE (ICE)	1.25	1.25	1.25	1.25	PALLADIUM (COMEX)	1,000.00	1,000.00	1,000.00	1,000.00

Monday, Jan. 4									
Livestock					Energy				
Symbol	High	Low	Open	Close	Symbol	High	Low	Open	Close
CATTLE (CBOT)	1.25	1.25	1.25	1.25	NATURAL GAS (NYMEX)	1.25	1.25	1.25	1.25
HOGS (CBOT)	1.25	1.25	1.25	1.25	HEATING OIL (NYMEX)	1.25	1.25	1.25	1.25
POULTRY (CBOT)	1.25	1.25	1.25	1.25	CRUDE OIL (NYMEX)	1.25	1.25	1.25	1.25

Dollar Slips Amid High Demand For Euros

NEW YORK — The euro rose against the dollar Monday in a solid if quiet debut as the creation of a \$10 trillion market in stocks and bonds denominated in the single European currency fueled demand.

"The euro's getting off to a good start," said Nigel Emmott of J.P. Morgan Investment Management. "People are building up positions."

In 4 P.M. trading, the euro rose to \$1.1830 from \$1.1735, its opening in Asian trading. The

FOREIGN EXCHANGE

Monday, Jan. 4									
U.S. Dollars					Other Currencies				
Symbol	High	Low	Open	Close	Symbol	High	Low	Open	Close
EUR/USD	1.1830	1.1735	1.1735	1.1830	GBP/USD	1.6607	1.6542	1.6542	1.6607
JPY/USD	111.925	113.250	113.250	111.925	CHF/USD	1.3669	1.3740	1.3740	1.3669
DEM/USD	1.6646	1.6530	1.6530	1.6646	FRF/USD	5.5898	5.5475	5.5475	5.5898

NYSE Faces Flood of Complaints Over Year-End Trading Oddities

NEW YORK — The New York Stock Exchange, inundated with orders at the close of trading on New Year's Eve, has drawn criticism from big investors on several points.

Among the complaints:

- America Online Inc. soared more than 10 percent at its close, costing buyers an extra \$254.6 million.
- Chase Manhattan Corp. slumped 4 percent in its last trade to a price some money managers said was artificially low.
- Amoco Corp.'s trading specialist, JTC Securities, incorrectly reported that buy orders outnumbered sell orders instead of the other way around.

"The NYSE will continually tell you their goal is to provide an orderly market," said Michael Cornack, manager for equity trading at American Century Investment Management, a mutual-fund company that oversees \$79 billion in assets in Kansas City, Missouri. "AOL gapped 15 points. That's a fair and orderly market? I don't think so."

NYSE officials said its specialists were coping as well as they could with an unprecedented volume of index fund trading at the close Thursday.

Last week, the Big Board's chairman, Richard Grasso, said the exchange was considering a requirement that so-called limit-on-close orders, which specify the price at which an investor is willing to buy or sell, be entered electronically. That would ease the burden on specialists so "you don't have to deal with that kind of a blizzard of paper, which can create the opportunity for an error," Mr. Grasso said. The NYSE declined to comment further.

The Big Board did face more than the usual challenges on Thursday, the last trading day of 1998. Sixteen companies were added to or deleted from Standard & Poor's 500 index. Index fund benchmarks, such as the S&P 500 index, at the close of trading, Thursday may have been the busiest day ever for implementing S&P index changes, said David Blitzer, chairman of S&P's index committee.

INTEREST RATES

Monday, Jan. 4									
Government Debt					Money Market Rates				
Symbol	High	Low	Open	Close	Symbol	High	Low	Open	Close
1-year	4.75	4.75	4.75	4.75	3-month T-bill	4.75	4.75	4.75	4.75
2-year	4.75	4.75	4.75	4.75	6-month T-bill	4.75	4.75	4.75	4.75
3-year	4.75	4.75	4.75	4.75	9-month T-bill	4.75	4.75	4.75	4.75
5-year	4.75	4.75	4.75	4.75	12-month T-bill	4.75	4.75	4.75	4.75

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EUROPE

2 U.S. Firms Pull Out of ICI Accord

By Alan Cowell
New York Times Service

LONDON — Imperial Chemical Industries PLC on Monday acknowledged the collapse of a \$1 billion agreement to sell its ICI Group Ltd. business to Du Pont Co. and NL Industries Inc., renewing analysts' concerns over the British company's ability to hammer away a mountain of debt.

Du Pont and NL Industries pulled out of the deal because of undisclosed conditions set by the U.S. Federal Trade Commission. Under the deal, Du Pont, based in Wilmington, Delaware, would have acquired ICI's ICI Chemicals and ICI Chemicals North America, and Houston-based NL would have taken the North American part.

ICI is a powdery white pigment used in the manufacture of paints and plastics. The planned disposals by ICI were part of a strategic drive by Europe's third-largest chemical maker to move away from bulk chemicals. Its chairman, Sir Ronald Hempel, said the company's "transition strategy" remained unchanged, although he was "disappointed" that ICI had not been able to complete the transactions.

The ICI deal was seen by analysts as a key step in reducing debt estimated last year at \$4.4 billion (\$7.32 billion). Much of the debt came from ICI's \$8 billion takeover of Unilever's specialty chemicals division in 1997.

After the collapse of the deal, ICI also announced plans to take a charge of £120 million and cut 1,000 jobs in its decorative-paints, industrial specialty and halocarbon businesses — measures designed to save about \$115 million a year by 2001. But the moves left the markets unimpressed, confirming ICI's status as Britain's lowest-performing blue-chip investment of recent months.

The company's shares closed at 492 pence, down 29. The collapse was "quite a major blow," said Jeremy Chantry, an analyst at Credit Lyonnais Securities, because analysts had been expecting a sharp reduction in debt from the sale of assets.

Russia's Options: Muddle Through or Collapse

By Michael R. Gordon
New York Times Service

MOSCOW — President Boris Yeltsin left his sickbed to deliver a surprisingly bullish year-end verdict on the Russian economy. "Russia is on the up," he declared.

But Mr. Yeltsin may be the only optimist on that score. From international economists to the Kremlin's own specialists, the prognosis is decidedly grim.

The chief question is not whether Russia will turn the corner this year. It is whether it will find some way to muddle through despite a weakening economy or whether the situation will tumble precipitously out of control.

This is not just an economic matter. Given its vast store of nuclear material and often poisonous politics, Russia's struggle to establish a stable, pro-market system has powerful implications for the West.

The middle-through school argues that Prime Minister Yevgeny Primakov and his unlikely coalition of Communists and social democrats are far more realistic than their polemics would suggest.

True, adherents say, coalition members have lauded the idea of state intervention in the economy and mocked International Monetary Fund specialists. But the thinking goes that the government team will try to limit the printing of new rubles, contain public spending and make just enough attempts at market reform to pry a few billion dollars from the Fund and the World Bank.

The movement toward a market economy will continue, these analysts maintain, but at a slow pace. And Russia will be spared yet another debilitating government shake-up like the ones last that resulted in the ouster of former Prime Minister Sergei Kiriyenko and Anatoli Chubais, one of the nation's most prominent economic reformers.

The middle-through theorists even have a name for this policy: They call it the "Russification of reform."

The darker view foresees hyperinflation, a deepening recession and mounting confusion among the top government ranks, as financial problems overwhelm Mr. Primakov's untested and ideologically incongruous team.

The fate of the Russian economy will depend mightily on the government's ability to make unpopular but necessary decisions about the economy and to make them stick. The failure of the IMF, the U.S. Treasury, the news media and most Russia specialists to foresee the current economic crisis should chasten anyone bold enough to hazard a prediction.

It is sobering, however, to see what a "good year" signifies for Russian policymakers. The gross domestic product fell almost 6 percent in

1998, and Russia will be fortunate if the decline is no more than 4 percent or 5 percent this year. The IMF projects that economic output will shrink 9.3 percent, and some analysts say the contraction could be as much as 15 percent.

Inflation, the government hopes, will hover at 30 percent in 1999; the IMF is predicting 56 percent, and others say it could be more.

The government says the dollar will be worth 21.5 rubles this year, more or less the exchange rate of late December. But before the currency collapsed in August, a dollar bought only 6 rubles, and few maintain that the ruble will not be devalued further.

But with a little luck, and some food and other aid from the West, Russia may suffer only isolated pockets of hunger, assuming the assistance reaches those who need it and is not stolen.

The economic crisis gathered force when foreign and domestic investors began to lose confidence in emerging markets because of the economic turmoil in Asia. That was a huge problem for Russia because it had financed much of its debt through the sale of government

securities to foreign investors. Its troubles were compounded by plunging prices of oil and other natural resources that Russia exports.

The crisis hit average Russians hard. Real, or inflation-adjusted, incomes dropped 15.6 percent last year, according to government statistics. The Kremlin's sanguine view is that real incomes will drop 7.5 percent this year and then rise in 2000, a presidential election year.

But there has not been any sustained period of economic growth since the Soviet Union collapsed in 1991. As the government tells it, growth is always just around the corner.

Russians appear to have become accustomed to many of the material benefits of a freer economy even as they have become disillusioned with Russia's corrupt version of market reform. Russia may not be moving boldly to carry out economic changes, but at least it has not been moving backward.

The financial elite has not been dislodged by the economic crisis. The so-called oligarchs who dominate the energy, banking, natural-resources and media industries are mostly still in place, though they are not quite as swaggering as they used to be.

Key factors to watch this year will include Mr. Yeltsin's faltering health, which could open the door to early elections and a change of economic policy. Much will also depend on whether the Primakov team has the will to tackle fiscal problems. Mr. Primakov has successfully pressed Parliament to pass important legislation encouraging foreign investment in the oil industry.

But the list of unaccomplished changes is long. It includes a new tax code, laws that would allow farmers to buy and sell land, and the overhaul of the battered banking system.

Putting the nation's fiscal house in order is also essential. After defaulting on its domestic debt, the Kremlin can no longer finance its deficit by selling Treasury bills. Printing money is not the answer. The money supply was increased 20 percent after the ruble and debt crisis in August, but the government understands that it is flirting with hyperinflation if it covers the deficit by running the printing presses at full steam.

Kirch Group to Realign Itself in Move to Ease Investment

Compiled by Our Staff From Dispatches

MUNICH — Kirch Group, Germany's second-largest media company, said Monday it would divide its operations into three holding companies as part of a reorganization that would make it easier for investors to buy stakes in the privately held company.

Kirch said in November it would

pool its pay-television interests into a holding company, to be known as PayCo, at the start of this year. The announcement Monday expanded on that reorganization, grouping Kirch's film production, licensing and free-television activities in a separate company known as TaurusFilm.

A third unit will hold Kirch's 40 percent stake in the German pub-

lisher Axel Springer Verlag AG and other investments. The reorganization comes as Kirch, owned by Leo Kirch, continues talks with Rupert Murdoch's News Corp., Italy's Mediaset SpA and Prince Wajid ibn Talal, the Saudi investor, about forming a European television alliance that may also include selling shares in parts of the

debt-laden German company. The new structure would make it possible for the company to eventually sell shares in TaurusFilm or other units, Kirch said. The company, which has debts estimated by analysts at \$1.8 billion, expects to make a decision about prospective investors by the end of March, a spokesman said. (Bloomberg, AFP)

WORLD STOCK MARKETS

Monday, Jan. 4
Daily prices in local currencies.
Telecons

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Investor's Europe

London FTSE 100 index
Paris CAC 40

1998 1999 1998 1999

1998 1999 1998 1999

The 1,000 most traded National Market securities.
In terms of dollar value, updated twice a year.
The Associated Press.

[illegible]

Monday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.
The Associated Press.

[illegible]

Monday's 4 P.M. Close
(Continued)

[illegible]

صبرنا من الامهل

Europe's Currency / A Global Player

A Few Surprises in the Euro's Debut

Traders, 'Dabbling' in Small Contracts, Avoided Risking Major Bets



A girl checking the latest euro exchange rate at the Madrid Stock Exchange on Monday as dealers started trading the new currency.

DEBUT: The Jury Is Out on New Currency

Continued from Page 1

making job markets more supple and removing the kinds of labor market protections that Europe's left-of-center has always held as creed. The OECD has pointed out the problem, saying that if these market rigidities remain — neither the IMF or the OECD report adequate indications of change — the new bank could quickly become a focus for pres-

NOTEBOOK

SLOW EXTINCTION: Trading in national currencies replaced by the euro continued Monday, but trade was minimal.

Although interbank trade in the national currencies has officially disappeared, banks will still quote in national terms for customers, based on the rates set for each of the currencies for entry into the euro.

"If a customer asks us for a dollar/mark quote, we can provide that, but in interbank trading it does not exist any longer," said Neil Kimberley, manager on the foreign exchange desk at Bank of Tokyo-Mitsubishi in London.

Most trading in national currencies was done among those settling foreign contracts due after Dec. 31. (Reuters)

EURIBOR VS. LIBOR: Market watchers in Frankfurt predicted Monday that the Continental banks' benchmark interest rate for the euro, called the Euribor, will gain dominance over London's rival euro Libor rate.

The two competing interest rates were established Wednesday, setting the stage for the latest battle in a long war between London and Continental Europe for financial market supremacy.

Unbiased opinions on the benchmarks' respective prospects are hard to find in Europe; Continental banks are sponsoring Euribor, and the British Bankers' Association is backing the euro Libor.

But several observers said this was one battle the euro-zone banks would likely win, driven by their determination that the main euro benchmark rate be set inside the euro area, not in London.

"One should not underestimate the political will to make it a success," said a broker at a U.S. investment bank in Frankfurt. Euribor also benefited from greater market depth as it was derived from quotes from a larger panel of banks, he said.

Euribor is based on rates supplied by 57 banks, mainly based in the euro zone, while euro Libor is based on rates from 16 international banks in London. The Euribor rate was fixed at 3.234 percent Monday and euro Libor at 3.22125 percent. (Reuters)

PIE-IN-THE-EYE DISSENT: The euro was not the only thing launched Monday at the Amsterdam Stock Exchange. Protesters hurled two pies, scoring hits on the Dutch finance minister.

One protester struck Gerrit Zalm, a glancing blow with the first pie, spilling what appeared to be custard down his dark suit. As Mr. Zalm brushed off the mess, another protester pushed a second pie into his face.

A furious-looking Zalm was led from the protest by his aides while security staff detained the protesters, who chanted slogans against the new European currency. (AP)

SALTING AWAY RESERVES: The European Central Bank set the minimum reserves target for the 11 national central banks taking part in the inauguration of the single currency at 100 billion euros (\$118.26 billion) through Feb. 23.

The reserves figure applies to the combined banking system of the 11 euro countries and give traders a rough idea of the level of liquidity available in domestic money markets.

Under a minimum reserves system, banks must set aside an amount at the central bank each month, a requirement that helps the central bank monitor lending and fine-tune the amount of money in the money market. (Bloomberg)

By Mitchell Martin
International Herald Tribune

NEW YORK — There were a few surprises as American currency traders began dealing in the euro on Monday.

In the trading room at American Express Bank Ltd., the chief dealer, Matthew Porio, said he was surprised not to see any quotes for the dollar in Deutsche marks on his dealing screen.

"I thought there still might be," he said, reflecting a sentiment shared by many people around the world looking for particular exchange rates. The bulk of American Express's currency-trading business is for corporations and banks, many of whom are still thinking in terms of marks and francs.

But trading among the euro-zone currencies was officially frozen last week by the European Central Bank, and foreign-exchange dealers are unwilling to quote prices for what are being called the legacy currencies, fearing that speculators would exploit movements in the euro.

Trading was also unexpectedly in small lots, Mr. Porio said. Some of this was attributable to a seasonal slowdown — corporations last week closed out their books on 1998 — but it was also caused by uncertainty about the euro's direction against the dollar.

"There are no real axes to grind," he said, adding, "People are just dabbling."

Despite the surprises, the euro traded smoothly and strongly in New York. It began the day by rising from its Thursday reference price of \$1.17 and rose to nearly \$1.19, but it was undermined by an early rally on Wall Street, which bolstered demand for the dollar. The euro was quoted at about \$1.1829 in late European trading.

At State Street Corp. in Boston, Michael Kahn, a vice president in the global treasury division, concurred with Mr. Porio, saying it was difficult "to understand whether the euro would be strong or weak." Supporting the currency are "pretty robust" economic growth in Europe and the fact that the euro bloc is a net lender to the rest of the world.

But against it are "issues surrounding the politicization of the whole process that worries some investors," he said, referring to the question of the European Central Bank's independence.

With the questions about the euro's direction, there was hardly any forward trading, dealers said. Forward contracts are useful to such market participants as exporters, who know they will incur a foreign-exchange obligation several months in the future and wish to hedge their exposure.

While currency dealers seemed to have the introduction of the euro under control, clients were another matter. "There's a lot of confusion on the client side," Mr. Kahn said, "but it is our task to educate them."

At the American Express trading room, which overlooks the mouth of the Hudson River from the 23rd floor of the World Financial Center, several phone calls were fielded by executives who patiently tried to explain to clients that separate currencies had effectively ceased to exist.

Taking a break from conversations with clients, Michael McGuinness, senior director of Treasury sales, noted some other confusing aspects. For one thing, even though the spreads were surprisingly tight, there is more money at stake on each hundredth-of-a-cent point of a 5 million euro contract is worth \$500. In Deutsche mark trading, each point was just a hundredth of a cent, or about \$300. So trading errors are magnified while good calls carry greater rewards than in the past.

The past is another issue. "There is no history for the euro," Mr. McGuinness said, pointing to historical line graphs of the dollar against the mark. Although there are historical prices for the European currency unit, the forerunner of the euro, he said it had been lightly traded and not representative of the entire economy.

The Ecu never existed as a physical currency, being restricted to bookkeeping for such items as taxes and bonds. The euro is to become a real currency in 2002, but Liliana Nealon, executive director of global trading, noted that American Express was already issuing notes in the form of travelers checks.

No one can foresee or guarantee them, just as there is no certainty the global economic environment for the euro's start stays relatively tranquil. The reality remains that, with Europe's present political lineup, there could be great tensions involving pressures to alter or scrap the stability pact if growth within the zone declines markedly at a point in the future.

Since a euro-zone member country can no longer cut its own interest rates or devalue its currency, it is left with limited borrowing possibilities in line with the stability pact's debt and deficit strictures. Whether the problem is a localized recession or seriously diminished growth overall, member countries willing to hold to the euro's rules would have to compensate for their rising deficits with reduced public spending or new taxes.

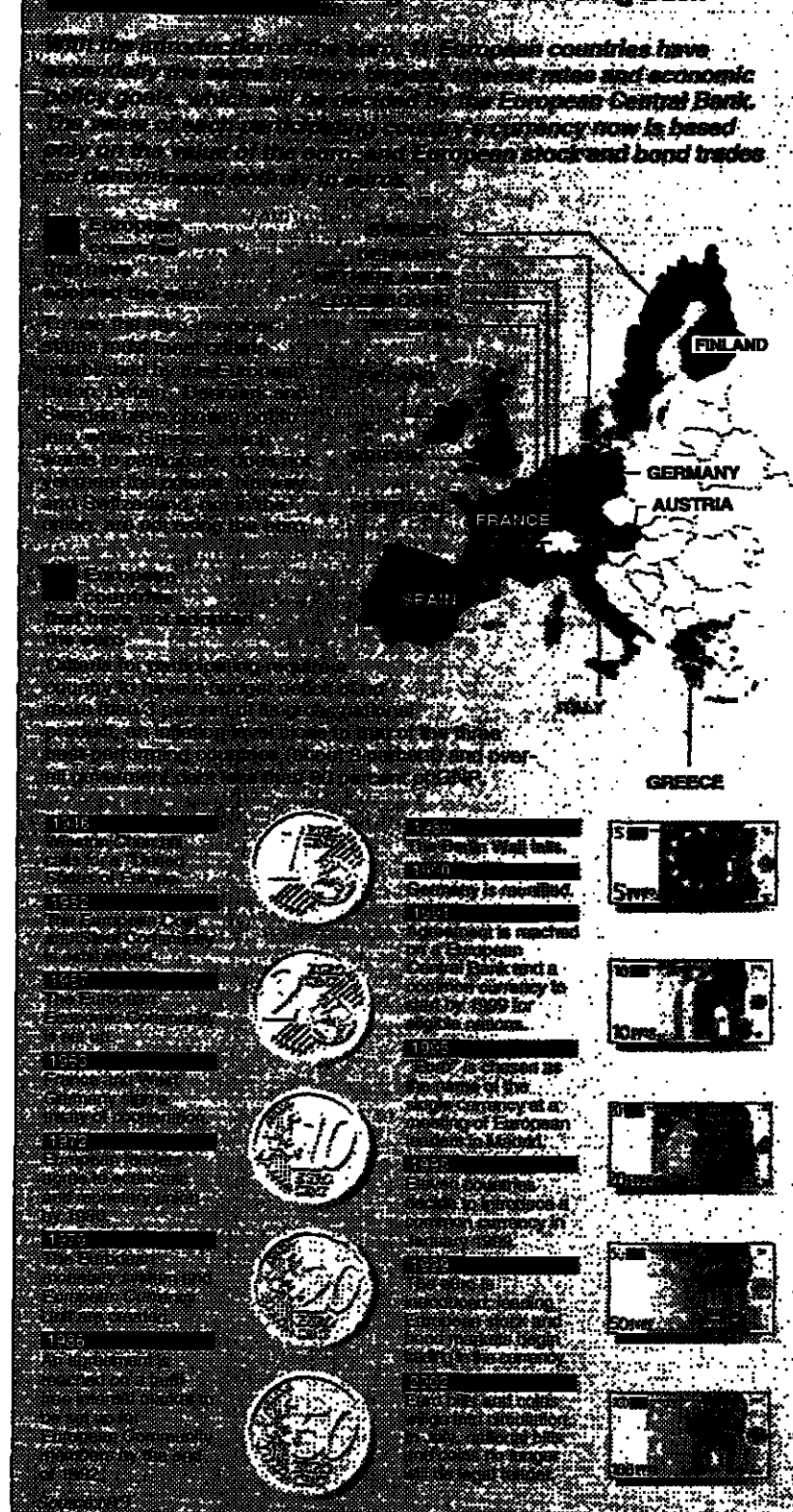
In these circumstances, the villain for Europe's governments of the left would be the stability pact itself — directly linked to Mr. Kohl's finance minister, Theo Waigel, and widely associated with unemployment in Europe and attacked by Mr. Jospin during his election campaign in 1997 as a German hegemonic device.

If the stability pact goes, the Euro would remain a unified but politicized currency, and, for its holders, hopefully one devalued only in esteem.

While equity markets are still depressed, credit markets are still de-

The Euro

Looking Back



CONSUMER: Paying in Euros Begins

Continued from Page 1

changing one euro expression to another, for example, Deutsche marks to French francs.

For travelers from outside the region, the switch to the new currency is likely to go unnoticed. Dollars will be converted to euros but paid out in national currencies at the official euro conversion rate, minus a fee for handling the transaction.

The European Commission, the EU's executive body, has focused most of its efforts in promoting the euro on the financial markets, which account for the bulk of monetary movements. Getting the markets right was of primordial importance and has taken precedence over promoting the euro among the public.

The commission and member governments will use the next three years, until euro banknotes and coins replace national currencies, to educate the public. The commission has even set up a psycho-sociology panel to advise it on how to wean people away from the familiar coins in their pocket and get them to accept what for most is still an abstraction.

It could be an uphill task. The commission estimated that between a quarter and a third of Europeans cannot afford properly in their own money and that a high number do not even know what the new currency is called.

Governments have left it largely to banks and other financial organizations to inform their customers, but they plan massive publicity campaigns before the introduction of euro coins and notes. In several countries, the efforts have passed through the schools because officials argue that children are less attached to familiar financial benchmarks, ready to accept new ideas and best-placed to inform their parents about the new money.

During the transition period, no one is obliged to pay or be paid in euros. But many retailers, such as Leclerc of France, a longtime supporter of the single currency, have begun listing prices both in national currency and in euros. Michel-Edouard Leclerc, head of Leclerc, said the single currency would enable his stores to offer lower prices because the euro would make it easier to seek out the cheapest and most efficient suppliers in Europe.

Renault Chief Sees No Quick Decline in Prices of Automobiles

Reuters

PARIS — The euro will add to pressures driving down car prices in Europe, but the decline in prices in France will slow, Louis Schweitzer, chairman of Renault, said in a newspaper interview published Monday.

The interview will highlight the disparities in car prices across the Continent, now around 12 percent, he told La Tribune.

But he added that national tax policies accounted for a big part of the differences.

"Each state must ensure certain complex social and economic balances and conduct fiscal policies in light of national needs," Mr. Schweitzer said.

British and German auto prices are now significantly higher than French car prices, once the highest in Europe, he said.

"Prices have come down in France more than anywhere else, so that the decline should slow down now," he said.

"But the trend toward lower car prices should continue in Europe because the single market will heighten competition and because consumers are increasingly tempted to spend money on other things than cars," he added.

OUTLOOK: Forecasters See U.S. Slowing in '99 but Probably Evading a Raft of Dangers

Continued from Page 11

from 3.5 percent in 1997 and 1.75 percent in 1998.

Asia's economies, which absorb one-third of American exports, are likely to keep shrinking, though not as rapidly as last year — assuming that Japan will hit bottom.

South America, which takes about 10 percent of U.S. exports, will merely stagnate as long as Brazil does not collapse; growth for the continent is expected to be around 1 percent. Mexico, as big a trading partner as South America and struggling with the effects of plunging oil prices, is already slowing.

As its monetary union begins, Europe will be growing about 2 percent, the forecasts say, down from nearly 3 percent last year.

Some of the biggest risks continue to be financial ones. The unexpectedly aggressive easing of credit by the Federal Reserve and other central banks has reduced but not eliminated the global liquidity squeeze.

Even now, AAA-rated corporate bonds have yields more than two percentage points higher than those of U.S. Treasury bonds, only slightly less than the recent peak spread of 2.25 points.

"While equity markets are still de-

pressed," said Bruce Steinberg, chief economist at Merrill Lynch. "That will slow growth because the marginal borrower is not able to get credit."

A growing pinch on U.S. corporate profits, already under way in the last six months, is also likely to retard growth. Per-share operating profits of the companies in the Standard & Poor's 500-stock index are down 3 percent from a year ago. Total corporate profits reported by the Commerce Department are also lower than a year ago.

Profit margins are beginning to erode, and there is no relief in sight. The problem is that the tight U.S. labor market — unemployment is now 4.4 percent, and job growth remains solid — has been causing wage growth to outstrip even the robust productivity gains of late. Thus, labor costs per unit of output have been rising inexorably.

With lots of excess capacity at home and abroad, a result of the 1990s investment boom, most companies are finding it impossible to pass along higher costs to customers.

"There's no pricing power out there in corporate America right now," Mr. Steinberg said.

Finally, the stock market is not likely to give the economy much extra kick as it has done in recent years. Although stock prices no longer look as out-

rageously high as they did a year ago, somewhat lowering the risk of a plunge, few forecasters expect American households to keep reaping the huge capital gains that have allowed their spending to rise faster than their incomes.

Economists expect these forces to affect individual parts of the economy in various ways. The trade deficit will continue to widen, but, barring another international crisis like last summer's, the deterioration is not likely to be as sharp as it was in the past year, when it trimmed an estimated 1.5 percentage points from the growth rate. This is in part because slower growth in business and in consumer spending will mean less of a surge in imports.

Capital spending, booming in the first half of last year, has already flattened. Many economists are predicting sluggish growth but not outright cuts in spending in the 12 months ahead.

One factor that may cause spending to keep rising is that capital is a bargain right now. "I can buy more," said Ken Matheny, an economist at Macroeconomic Advisers in St. Louis.

The U.S. government has not contributed much to spending in the past few years, and 1999 is expected to be no different.

Consumers, who have been spending all their income and more, are due to

behave in a more restrained manner. They have been on a tear, with car sales stronger last year than at any time in a decade. Economists generally expect consumer spending to grow about 2.5 percent this year, about half of last year's pace and roughly in line with income growth. Job growth is apt to slow as the profit picture continues to darken.

But Ken Goldstein, an economist at the Conference Board, one of the most bullish forecasting groups last year, said consumers would surprise forecasters once more. He said the rash of layoffs announced by large companies last autumn had led to an exaggerated sense of weakness in the labor market.

Most job cuts since 1991 have been made through attrition, he said, and first-time claims for unemployment insurance were no higher in December than they were a year earlier.

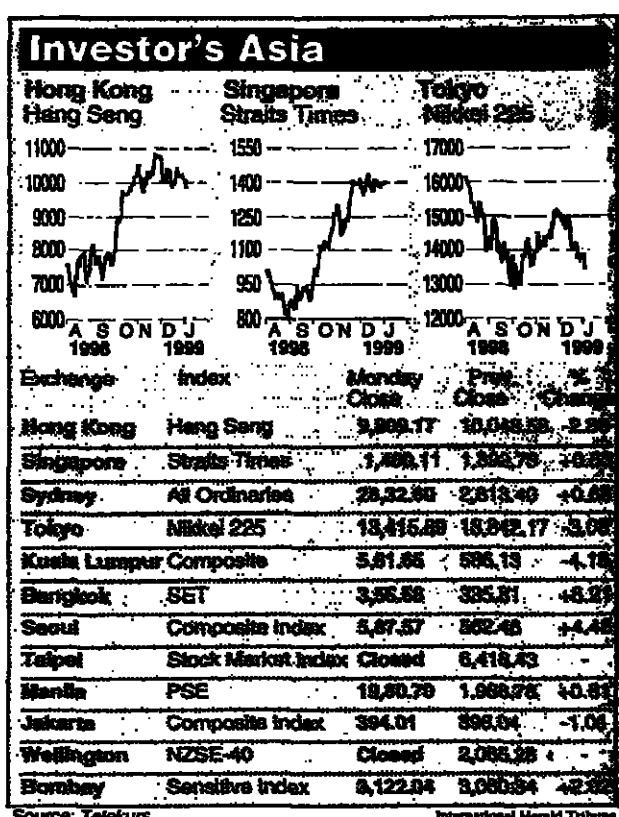
The red-hot housing market is also set to cool. It is still in great shape, with construction of single-family homes running at its most rapid pace in 20 years. But few people expect mortgage rates, already the lowest in a generation, to keep falling, so there are likely to be fewer families refinancing their mortgages and fewer cashing in stock-market gains to renovate or trade up. Besides, housing starts have been outpacing family formation for several years.

AMP Asserts It Won Control Of Insurer

SYDNEY — AMP Ltd., Australia's biggest fund manager and life insurer, won control of GIO Australia Holdings Ltd. on Monday as its acrimonious takeover bid drew to a close, but it fell short of its original aim of full ownership.

"We've already counted acceptance in excess of 50 percent," a spokesman for AMP said shortly after the takeover vote, but he said it would effectively control GIO with any stake larger than 40 percent.

AMP's bid of 3.3 billion Australian dollars (\$2.02 billion), begun in August, was bitterly fought by GIO, which said it was too low. The two companies battled in the media through court cases, television and newspaper advertising campaigns, as well as in the courts.



Very briefly:

- **The U.S. Export-Import Bank** joined a growing list of **Philippine Airlines Inc.'s** creditors that have rejected the airline's restructuring plan. The bank said the plan had failed to address a lack of confidence in the airline's current management.
- **Thailand** reportedly plans to combine the retail operations of state-owned **Petroleum Authority of Thailand** with its refining unit, **Thai Oil**, and eventually float shares in the new entity.
- **South Korean** carmakers said domestic sales plunged last year amid the country's recession: **Hyundai Motor Co.'s** sales fell 29 percent in 1998, to 880,066 vehicles; **Daeewoo Motor Co.'s** sales fell 7.8 percent, to 893,295, and **Kia Motors Corp.'s** sales fell 33 percent, to 467,545.
- **China International Trust & Investment Corp.** is seeking a 22 percent stake, valued at about 360 million yuan (\$43.3 million), in **China Securities Co.**, part of an effort to shore up its financial institutions after the recent collapse of **Guangdong International Trust & Investment Corp.**
- **China's** industrial and commercial tax revenue rose 13.3 percent in 1998, to 855.1 billion yuan, as the government cracked down on tax dodgers.
- **Samsung Group** plans to increase investment by one-third, to 4.5 trillion won (\$3.75 billion), this year.

unprofitable general-insurance business to help it compete with new international rivals. Without complete ownership of GIO, that is going to be difficult.

Shares in AMP rose 23.5 cents to 20.91 dollars, valuing GIO's shares under the stock offer at 5.23. GIO fell 0.01 to close at 5.35.

(Bloomberg: Reuters)

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SPORTS

Ryan Leads Strong Slate For Hall of Fame Ballot

By Murray Chass
New York Times Service

NEW YORK — At about this time 14 years ago, Nolan Ryan was asked what he thought about his race with Steve Carlton for the career strikeout record. "Where do I stand?" Ryan asked in return.

Ryan was two strikeouts ahead of Carlton, both having passed Walter Johnson, the longtime record-holder, during the 1983 season. But it was typical of Ryan that he was not aware that he was No. 1. He did his work on the mound and let others keep track of the numbers.

On Tuesday many of those who kept track will recognize the work Ryan did on the mound by electing him to the Hall of Fame. George Brett, the oft-injured but brilliant third baseman, is also expected to be elected on his first time on the ballot.

At times during the past five years, the required waiting period for first-time candidates, Robin Yount had also been viewed as a certain 1999 inductee. But more recently his chances of election have been considered a toss-up. Carlton Fisk and Dale Murphy are other first-timers who are expected to receive heavy support.

The voters, 10-year members of the Baseball Writers Association, have not elected two players to the Hall in one year since 1992; they have not elected more than two since 1991. Only once have more than two first-timers made it the same year, and that was in 1936, the first year the election was held.

Interestingly, when Ryan was well into his career and had already made his mark on the game, his critics said he would not be worthy of the Hall of Fame because he did not have an impressive winning percentage and he walked too many batters.

Indeed, Ryan holds the record for most career walks (2,795), and he has the lowest winning percentage (.526) of the 20 pitchers who gained 300 victories. But no pitcher ever has done what the man from Alvin, Texas, achieved in his 27-year career, in which he compiled a 324-292 record with a 3.19 ERA.

How did his race with Carlton turn out? When Ryan struck out Brad Mills of Montreal on April 27, 1983, he broke Johnson's 56-year-old record of 3,508. Carlton finished that season ahead of

Ryan, 3,709 to 3,677. But when Ryan struck out Chili Davis on Sept. 5, 1984, he nudged ahead of Carlton and never looked back.

Carlton finished with 4,136 strikeouts. When Greg Myers of California struck out on Sept. 17, 1993, he became Ryan's 5,714th and last strikeout in 5,387 innings. Not that Ryan would know or care, but he finished with 38 percent more strikeouts than Carlton, 63 percent more than Johnson.

There was also the matter of Ryan's seven no-hitters. Only one other pitcher, Sandy Koufax, pitched as many as four no-hitters. Ryan pitched his first and last no-hitters 18 years apart.

Ryan, who began his major league career with the New York Mets in 1966, also holds the record for most seasons played, another of more than 50 records he held or shared when he retired after the 1993 season. A hard-throwing but erratic right-hander for the Mets, Ryan was one of four players they traded to the California Angels for Jim Fregosi on Dec. 10, 1971. The other three players did not have quite the career Ryan went on to have.

Ryan left the Angels after the 1979 season and became baseball's first \$1 million-a-year player when he signed with the Houston Astros as a free agent. The Astros, mistakenly thinking that the 41-year-old Ryan was near the end of his career, let him go as a free agent after the 1988 season, and he pitched another five years for the Texas Rangers.

When he struck out 301 batters in his first season with the Rangers, it was the sixth time he had surpassed 300 and the first since 1977. He also pitched no-hitters Nos. 6 and 7 with the Rangers.

Brett struck out 18 times against Ryan (Claude Washington, with 39, was Ryan's most frequent victim). He also had 29 hits (no home runs), but his performance against Ryan is not why Brett will be elected to the Hall of Fame.

In his 21 seasons, all with the Kansas City Royals, Brett, primarily a third baseman, collected 3,154 hits, placing him 13th among the 21 players who have reached the 3,000-hit plateau. He won three batting championships while posting a .305 career average. When he hit .350 in 1980, it was the closest anyone had come to 400 since Ted Williams batted .406 in 1941.



Michael Slater playing a cut shot on a ball from England's Darren Gough.

Slater Slows English Fight Back

The Associated Press

SYDNEY — Michael Slater made 123 out of Australia's second innings of 184 Monday on the third day of the fifth and final test. England reached 104 for five wickets at the close to trail by 183.

Slater appeared to have been run out on 35. He began to walk toward the pavilion but Simon Taufel, the third umpire, gave him the benefit of the doubt because replays were inconclusive.

Slater contributed 66.85 percent of Australia's total, the second highest ratio in test history. Charles Bammerman hit 165 out of Australia's 245 (67.34 percent) in the first Ashes test of 1877.

Mark Waugh, with 24, was the only other Australian to reach double figures. Peter Siddle, England's off-spinner, took five for 81 on a turning wicket.

In Hamilton, New Zealand, Rahul Dravid scored 190 as India made 416 in its first innings in the third test against New Zealand. New Zealand reached 45 runs without loss in its second innings to trail by five runs.

In Cape Town, South Africa bowled West Indies out for 212 and reached 91 for three in its second innings to lead the fourth test by 285 runs after the third day.

FIFA Won't Follow IOC on Drug Penalty

The Associated Press

BRUSSELS — Soccer will refuse to impose the tougher drug penalties demanded by the International Olympic Committee, Michel D'Hooghe, the chief medical officer for the sport's governing body, said Monday.

"Even if FIFA stands alone, it is old and big enough to take care of itself," said D'Hooghe, the chairman of the FIFA medical committee.

Sepp Blatter, the FIFA president, is to meet Juan Antonio Samaranch, the IOC president, on Wednesday to try to resolve their differences on doping before the world anti-drug meeting in Lausanne, Switzerland, from Feb. 2 to Feb. 4.

The IOC wants all Olympic sports federations to apply common rules and penalties, including a minimum two-year suspension for athletes using major performance-enhancing drugs. If federations refuse, they risk being dropped from the Olympic program. Of the 35 Olympic federations, only soccer, cycling and tennis have expressed reservations.

"FIFA will never change its opinion on this," D'Hooghe said. "You really don't think we will come around to the two-year proposal, do you?"

Soccer is an uneasy part of the Olympics. To ensure that the soccer competition does not compete with its own World Cup, FIFA imposes an age limit on players. The threat of being thrown out of the Olympics is not as serious for soccer as for other sports.

D'Hooghe said FIFA agreed with the IOC on the basic principles of doping but believed that a two-year minimum ban would not stand up in court.

He said it was illogical to apply the same sanctions for a sailor, whose career can span decades, and a soccer player.

D'Hooghe said a two-year exclusion from soccer often "comes down to the end of a career," since soccer players need a long time to get back into the swing of team play at the top level. Other athletes, on the other hand, could continue training and perform at the top level as soon as a ban ended, D'Hooghe said.

Top English Soccer Official Resigns in Financial Scandal

The Associated Press

LONDON — Keith Wiseman resigned as chairman of the English Football Association on Monday as a result of a financial scandal.

Wiseman appeared at a meeting of the 91-member FA Council in London a month after the executive committee unanimously called for his resignation.

"After more than two hours of debate, Keith Wiseman told the FA Council he did not believe he had sufficient support to continue in his position," the Associated Press reported from Zurich.

FIFA said the decision was in response to a fax from the country's Sports Ministry expressing reservations over previously agreed plans for the federation.

FIFA dissolved the federation in November because of financial problems and appointed an interim executive to run the organization.

maintained they did nothing wrong, the grant has been interpreted as a move to gain the Welsh FA's vote to try to elect Wiseman to international soccer committees.

FIFA Suspends Cameroon

FIFA, the governing body of world soccer, on Monday suspended Cameroon's soccer federation for an indefinite period, excluding the national team and the country's clubs from international competitions and friendly matches.

The Associated Press reported from Zurich. FIFA said the decision was in response to a fax from the country's Sports Ministry expressing reservations over previously agreed plans for the federation.

FIFA dissolved the federation in November because of financial problems and appointed an interim executive to run the organization.

Wings Fly Back From Slump With 2d Straight Over Hawks

The Associated Press

The Detroit Red Wings, having lost seven straight games, are suddenly on a two-game winning streak. The victories in both cases were the struggling Chicago Blackhawks.

The Blackhawks took an early lead Sunday in

Todd White's third goal of the season Sunday, off a long rebound shot from the left circle, gave the Blackhawks a 1-0 lead. 41 seconds into the second five minutes later, the Red Wings tied it on the power play with a goal by Tomas Holmstrom. Joe Murphy later scored the go-ahead goal on a rebound.

Figures 3, Oilers 3 in Edmonton, Philadelphia blew a 3-1 lead before holding on for the draw that extended the Flyers' unbeaten streak to 11 games.

Roman Hamrlik and Boyd Devereaux scored 64 seconds apart late in the third period to cap the Oilers' comeback.

MHL Roundup

Chicago, but the Red Wings responded with a pair of power-play goals in the second period and went on to a 3-1 victory.

On Saturday, the Red Wings beat the Blackhawks, 5-2, in Detroit with a three-goal barrage within 73 seconds.

SCOREBOARD

ICE HOCKEY

NHL Standings

NATIONAL CONFERENCE

ATLANTIC DIVISION

W L T Pts GF GA

New Jersey 21 10 4 46 104 92

Philadelphia 21 9 7 45 105 82

Pittsburgh 21 10 4 46 104 92

Washington 21 10 4 46 104 92

NY Islanders 13 23 2 28 90 111

NORTHERN DIVISION

W L T Pts GF GA

Boston 20 9 5 45 102 69

Toronto 21 14 2 46 117 105

Ottawa 15 13 4 40 105 83

Montreal 17 12 6 40 94 81

Buffalo 12 18 3 27 82 100

SOUTHERN DIVISION

W L T Pts GF GA

Carolina 18 14 6 42 116 102

Florida 12 14 7 39 96 96

Washington 12 10 3 27 80 83

Tampa Bay 9 24 3 21 75 123

WESTERN CONFERENCE

W L T Pts GF GA

Detroit 19 15 2 40 116 102

St. Louis 12 12 7 39 96 96

Nashville 13 20 3 29 84 113

Chicago 11 22 4 26 81 121

NORTHWESTERN DIVISION

W L T Pts GF GA

Colorado 16 18 3 35 86 96

Edmonton 13 20 4 30 99 112

Vancouver 13 20 4 30 99 112

Calgary 12 22 3 27 98 115

PACIFIC DIVISION

W L T Pts GF GA

Dallas 24 5 4 54 107 67

Phoenix 21 8 4 46 95 63

Anaheim 14 14 8 36 87 83

San Jose 11 16 8 30 75 83

Los Angeles 13 21 3 29 87 98

SUNDAY RESULTS

1 2 3 4 5

Philadelphia 1 2 3 4 5

First Period: P-San Jose 10 (Lucas)

Second Period: P-San Jose 10 (Lucas)

Third Period: P-San Jose 10 (Lucas)

Final Score: P-San Jose 10 (Lucas)

Goalies: P-San Jose 10 (Lucas)

Goalies: P-San Jose 10 (Lucas)

Goalies: P-San Jose 10 (Lucas)

Goalies: P-San Jose 10 (Lucas)

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Goalies: P-San Jose 10 (Lucas)

BASKETBALL

U.S. COLLEGE SCORES

SUNDAY RESULTS

TOP 25

No. 1 Duke (24) def. No. 4 Maryland (23) 82-64

No. 2 Cincinnati (24) def. Marquette 62-51

No. 3 Indiana (24) def. Illinois 62-51

No. 4 Duke (24) def. No. 14 Kansas 72-63

No. 5 Iowa (21) def. Northwestern 52-40

LEADING COLLEGES

Boston U. 44, Towson 40

St. Joseph's 64, St. Bonaventure 48

Temple 52, La Salle 41

DePaul 50, Houston 41

Oklahoma 50, Iowa St. 32

Kent State 52, Rhode Island 31

Washington St. 72, Washington 71

WOMEN

TOP 25

No. 1 Texas (21) def. No. 15 Rutgers (19) 65-54

No. 2 Purdue (21) def. Ohio State 60-54

No. 3 Duke (21) def. No. 14 Kansas 72-63

No. 4 Duke (21) def. No. 14 Kansas 72-63

No. 5 Iowa (21) def. No. 14 Kansas 72-63

No. 6 Iowa (21) def. No. 14 Kansas 72-63

No. 7 Iowa (21) def. No. 14 Kansas 72-63

No. 8 Iowa (21) def. No. 14 Kansas 72-63

No. 9 Iowa (21) def. No. 14 Kansas 72-63

No. 10 Iowa (21) def. No. 14 Kansas 72-63

No. 11 Iowa (21) def. No. 14 Kansas 72-63

No. 12 Iowa (21) def. No. 14 Kansas 72-63

No. 13 Iowa (21) def. No. 14 Kansas 72-63

No. 14 Iowa (21) def. No. 14 Kansas 72-63

No. 15 Iowa (21) def. No. 14 Kansas 72-63

No. 16 Iowa (21) def. No. 14 Kansas 72-63

No. 17 Iowa (21) def. No. 14 Kansas 72-63

No. 18 Iowa (21) def. No. 14 Kansas 72-63

No. 19 Iowa (21) def. No. 14 Kansas 72-63

No. 20 Iowa (21) def. No. 14 Kansas 72-63

No. 21 Iowa (21) def. No. 14 Kansas 72-63

No. 22 Iowa (21) def. No. 14 Kansas 72-63

No. 23 Iowa (21) def. No. 14 Kansas 72-63

No. 24 Iowa (21) def. No. 14 Kansas 72-63

No. 25 Iowa (21) def. No. 14 Kansas 72-63

No. 26 Iowa (21) def. No. 14 Kansas 72-63

No. 27 Iowa (21) def. No. 14 Kansas 72-63

No. 28 Iowa (21) def. No. 14 Kansas 72-63

No. 29 Iowa (21) def. No. 14 Kansas 72-63

No. 30 Iowa (21) def. No. 14 Kansas 72-63

No. 31 Iowa (21) def. No. 14 Kansas 72-63

No. 32 Iowa (21) def. No. 14 Kansas 72-63

No. 33 Iowa (21) def. No. 14 Kansas 72-63

No. 34 Iowa (21) def. No. 14 Kansas 72-63

No. 35 Iowa (21) def. No. 14 Kansas 72-63

No. 36 Iowa (21

ART BUCHWALD

The Real Ozone Hole

NEW YORK — The big news out of Washington is that they have discovered the main cause of global warming. It is the hot air now being produced by the Congress of the United States.

Heinrich Applebaum, renowned professor of the Academy of Dysfunctional Scientists, revealed that most of the thinning of the ozone is caused by speeches being produced on the floors of the House and Senate. It is also produced by the same politicians appearing on "Meet the Press," "This Week With Sam and Coke" and "Face the Nation."

"It's serious," he told me, "particularly with the impeachment debate coming up. The Republican charges expressed on the Senate floor could wipe out the human race. It could raise the global temperature by 40 degrees."

"But you have to have an impeachment trial," I said.

"It's in the Constitution."

"Don't ask scientists involved in the environment to choose between White House hanky-panky and autism."

Applebaum produced a graph. "This was the ozone layer before the House started

to debate impeachment. Now this graph shows what happened when everyone began to discuss high crimes and misdemeanors."

"What a difference," I said. "Do you want to call off the impeachment trial?"

"Something has to be done. The House used all of Washington's ozone in its debate. If the Senate begins to talk, they could turn Texas into a wasteland."

□

The idea of putting a gag on political speeches is not a new one. What is new is that people are advocating it during a trial of the president of the United States.

A politician said, "I'm willing to save the environment if Clinton admits that he perjured himself and will never do it again so help him God."

"That's fair," I admitted.

Another said, "I am not going to mix bananas and oranges."

"That's fair," I admitted.

What disturbs some in Congress is that they are being blamed for what automobiles are doing to the atmosphere.

"But," Applebaum said, "if they go ahead with the hearings, then I would advise everyone to load up on sun-block. Whether he realizes it or not, Jesse Helms's speech could tear the ozone apart."

Queen's Ornaments to Be Sold

Agence France-Presse

LONDON — Queen Elizabeth II will auction her Christmas tree decorations to raise money for a children's charity, Buckingham Palace says. About 400 ornaments will go on sale at the Victoria and Albert Museum next week.

The Sunday Mirror said the sale could raise £100,000 (\$166,000) for the Society of Stars charity, which helps children with cerebral palsy. The designer Zandra Rhodes created a distinctive pink-haired fairy for the tree, while other decorations included a hand-embroidered queen's crown edged with pearls and sequins.

For Two Writers, Devotion Refuses to Yield

By Sarah Lyall
New York Times Service

OXFORD, England — Iris Murdoch, the celebrated author of 26 rigorously intellectual novels, stood uncertainly in the doorway, her face frozen in the blank expression that is a badge of Alzheimer's. It was only when she saw her husband, the writer John Bayley, that a flicker of comprehension sparked in her eyes. But it was gone, as quickly as it came.

It felt at first like a terrible intrusion, being in the house with the couple. It was unbearably sad to see the once-brilliant Murdoch, 79, shuffle slowly into the room, sit stiffly and then do nothing but stare intently ahead. And it was unbearably sad when Bayley began explaining in his unself-pitying, slightly quizzical way what life is like now that Alzheimer's has his wife firmly in its grasp.

But Bayley and Murdoch, whose relationship began more than 40 years ago when he saw her bicycling past his window in Oxford and fell instantly in love, have never had an ordinary relationship. And by the end of a morning with them, it was impossible not to believe that — however odd it may seem — they have made their peace, and are alone together in a world that somehow suits them.

Bayley, who at 73 seems like a wholly sweet and slightly eccentric uncle, makes a passionate case for this view in his new memoir, "Elegy for Iris."

The book has drawn glowing reviews, both as a lyric description of the arc of a singular marriage and as an unflinching account of the frustrations of Alzheimer's.

There were slight rumblings in the British media about Bayley's motives for writing the book. Wasn't it cruel to expose Murdoch this way, they asked? But Bayley is not embarrassed by his wife's state, and neither should anyone else be, he said. "When something like this happens, you lose all sense of shame and privacy," he said. In the be-

ginning, he continued, stuttering as he does when he speaks quickly, he fought and raged against his wife's descent into unknowingness. But he is past that now, and his anger has given way to acceptance.

"Life is no longer bringing the pair of us 'closer and closer apart,' in the poet's tenderly ambiguous words," he writes, in a typically graceful passage. "There is a certain comic irony — happily, not darkly comic — that after more than 40 years of taking marriage for granted, marriage has decided it is tired of this and is taking a hand in the game. Purposefully, persistently, involuntarily, our marriage is now getting somewhere. It is giving us no choice — and I am glad of that."

The book is divided into two parts. The first, "Then," tells how Bayley, a young and spectacularly unworldly scholar, was smitten from the moment he glimpsed Murdoch. But she, a brilliant rising star who was then teaching philosophy at St. Anne's College, Oxford, proved elusive. When they embraced for the first time, speaking in a childish shorthand, "with arms around each other, kissing and rubbing noses," he writes, he began to understand that she needed him as much as he needed her.

Deciding not to have children, they went on to have glittering careers, although Murdoch's was the more public success. As she was producing novel after novel and being made a dame of the British Empire, Bayley was making his own mark, as a teacher (he retired several years ago as the Warton professor of English literature at Oxford), reviewer and literary critic whose many books include studies of Thomas Hardy, Jane Austen and Henry James, as well as four novels.

"Elegy for Iris" is studded with literary references — it is clear that he has found solace in literature — but in conversation Bayley is so self-effacing that it is easy to forget his formidable intellect.

For them both, marriage has meant a refuge from loneliness, a



Iris Murdoch with her husband, John Bayley.

secure haven that allows them their independence together. In an odd way, Bayley said, this has helped him deal with the constraints of the present. He looks forward to the end of the day, when his wife is safely asleep and he can pour himself a drink and revisit the comforts of one of his favorite books, typically a well-worn novel by Barbara Pym or Austen.

"A solitary life is splendid, provided you can lead it with someone else," he said. "That's paradoxical, but it's extremely true in our case. We've always had that sort of life: she had her life, and I had mine. And now one can have that same sort of thing. I do have that solitary life because she's there, and I couldn't have it on my own. It would simply disappear."

Bayley says he would not consider putting Murdoch in a nursing home unless she became completely unmanageable and no longer recognized him. She grows agitated when he is away, and he loses his purpose when he is alone.

"I don't know what to do by myself when she's not there," he said.

"Now," the second part of the book, takes up their story in the mid-1990s, when the first signs of Alzheimer's manifested themselves. It is a chilling account. Murdoch cannot find her words during a question-and-answer session in Israel. She sets off for London and returns three hours later, having forgotten where she was going.

She has trouble writing for the first time ever (the novel she is working on, "Jackson's Dilemma," turned out to be her last, and Murdoch aficionados were puzzled by the inconsistencies in character and plot). Later, when a doctor asks her who the prime minister is, she is stymied. "She had no idea, but said to him with a smile that surely it didn't matter," Bayley writes.

Mercifully, Murdoch didn't seem aware of what was happening and didn't rebel against it, partly because she never had much of a sense of self, anyway, Bayley said. "She didn't have a great deal of

consciousness of her own," he said. "Coleridge mentioned the distinction between writers who live entirely in their selves and writers like Shakespeare who seem to live a complex external life inside their creations. Iris was like that. She was extremely sociable and liked to hear about other people's lives, but she was very incurious about her own."

When Bayley finished the book a year ago, Murdoch could have occasional conversations. Very rarely, she still shows flickers of her old self, but her condition is much worse now. He has to lock the front door so she won't wander down the street. He can't take her swimming in the river they have always loved, for fear that she will suddenly forget how to swim. One of the high points of their days together is when "Teletubbies," a children's television show, comes on.

Murdoch is like "a very nice 3-year-old," her husband says, and needs to be fed, bathed and changed. And there is the constant strain of meals to be prepared, of dishes to be done, of a house to keep clean.

Strangely enough, Bayley said, he feels the Iris of today — the shuffling, uncomprehending Iris — is the same Iris he knew before, the one of the sparkling conversation and the endlessly questioning mind. For the first time in their long life together, he says, they are completely entwined, entirely symbiotic. It is a sensation he relishes.

"Every day, we are physically closer," Bayley writes in "Elegy for Iris." "And Iris' little 'moose cry,' as I think of it, signifying loneliness in the next room, the wish to be back beside me, seems less and less forlorn, more simple, more natural. She is not sailing into the dark. The voyage is over, and under the dark escort of Alzheimer's, she has arrived somewhere. So have I."

What does he mean? He tries to explain: "You feel that they can't do anything else to you, so to speak. It's a loss of fear."

PEOPLE

RESIDENTS of a resort island off Thailand threatened Monday to sue 20th Century-Fox and Thai officials, accusing them of destroying an idyllic beach to film a movie. Villagers of Phi Phi island say the fragile eco-system on Maya beach on Phi Phi would be destroyed by newly planted coconut trees and dune shaping for the project, a film adaptation of Alec Garland's cult novel, "The Beach," starring Leonardo DiCaprio. Fox officials have put up a \$5 million baht (\$136,000) bond against environmental damage. Forestry Department officials ordered a halt to pre-production in November for an environmental impact study, but ruled last month that any damage caused by the filming could be repaired. Thailand recently refused Fox permission to film a remake of "The King and I" in the country, saying the script did not show sufficient respect to the Thai monarchy.

□
All Star Limousine of Bloomfield Hills, Michigan, received two personal

checks totaling \$3,753.58 on Monday from the singer Aretha Franklin, whom the company had sued on Dec. 1, demanding payment for 18 limousine runs. The lawsuit is being dropped, according to the company's owner, Bob Beutel, who had said earlier that he was reluctant to take on the Queen of Soul in court. "I just think it is a shame to

finally go to these measures to get paid what we were due," Beutel said.

□
Princess Anne was the busiest member of the British royal family in 1998, attending the most official engagements, a survey showed. Her mother, Queen Elizabeth II, had a much less

Film Critics Reward Steven Soderbergh

New York Times Service

NEW YORK — "Out of Sight," Steven Soderbergh's adaptation of an Elmore Leonard novel, with Jennifer Lopez and George Clooney as shrewd, sexy opposites who attract, was voted best film of 1998 by the National Society of Film Critics, a 51-member group of critics from New York, Boston, Los Angeles, Chicago and other cities. Soderbergh's zesty and entertaining genre film became an unexpected winner after several earlier ballots had favored "Saving Private Ryan" and "Affliction." Those became the best film runners-up.

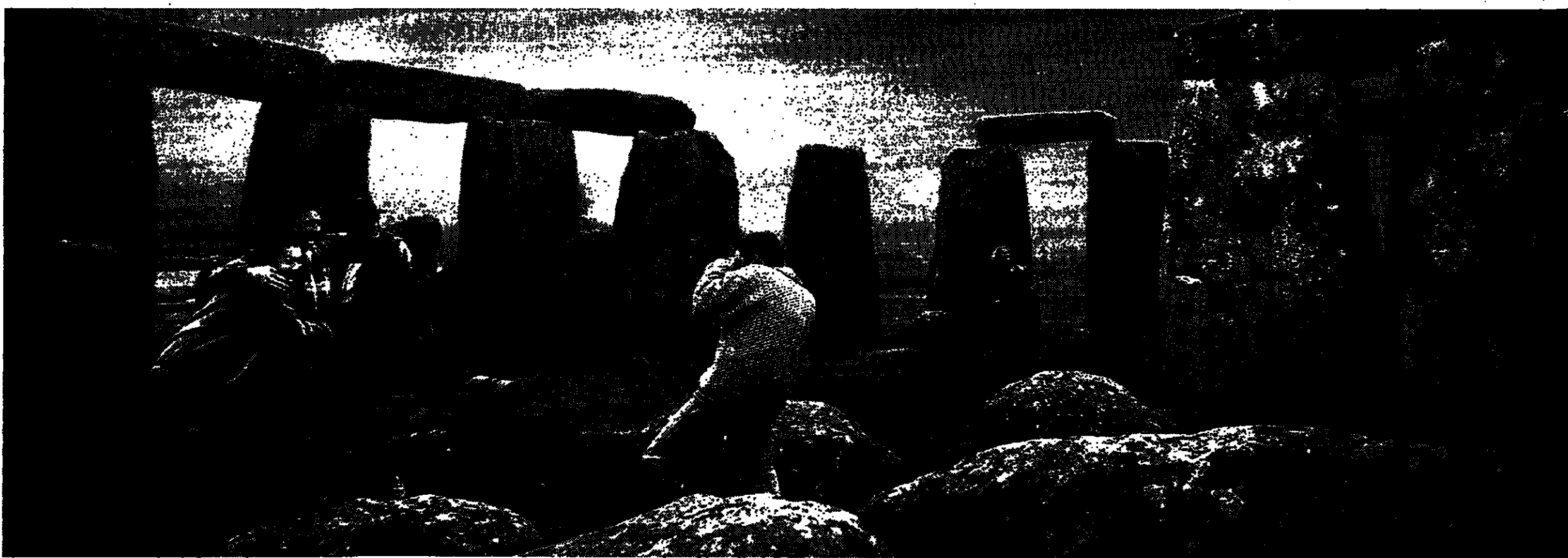
Soderbergh was also voted best director, followed by a tie between Steven Spielberg and Terrence Malick for the year's huge World War II epics, "Ryan" and "The Thin Red Line." Nick Nolte won the best actor award for his performance as a man struggling with relentless pressures in "Affliction." Best actress honors went to Ally Sheedy, as a photographer and decadent recluse in "High Art."

active year in 1998 — her number of official engagements dropped by nearly a fifth from the year before. The London Times survey showed Anne at the top of the "busy league" in 1998 with 679 engagements. . . . Prince William has opted out of the traditional weeklong skiing vacation with his father, Prince Charles, at the Swiss resort of Klosters, Buckingham Palace said. Charles and his youngest son, 14-year-old Prince Harry, arrived in Klosters on Sunday; without the 16-year-old William. He is understood to have chosen to stay in Britain to "do his own thing."

□
The German actress Elke Sommer has won the latest round in a long-running dispute with Zsa Zsa Gabor and her German husband, Prince Frederick von Anhalt. A court in Nuremberg rejected an appeal from the prince, who had been ordered by a lower court to stop telling people that Sommer had once called all German men "pigs." But the court did not order von Anhalt to make a full retraction.



LET'S EAT — Two women slice up a mile-long loaf of bread in Mexico City for a traditional Mexican celebration. The loaf required 33,000 eggs, 410 gallons of milk, 2,470 pounds of sugar and 13,200 pounds of flour.



(take in a rock show)

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